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NEWS SUMMARY

GENERAL

Move to speed Palestine accord

President Sadat of Egypt and President Carter of the U.S. accepted the Israeli proposal that intensified negotiations on Palestinian autonomy should be held in Egypt and Israel in the next 40 days.

Mr Carter and Israeli Premier Menachem Begin expressed optimism after two days of White House talks saying progress had been made and that agreement on autonomy could be reached by the May 26 goal laid down in last year's peace treaty.

But Mr. Begin offered no suggestion that Israel was willing to make other than marginal concessions on key issues like settlement policies.

Iran sanctions

European Commission is expected to produce firm proposals in the next five days for the imposition of EEC trade sanctions against Iran. Back page; Banks ready, Page 3; U.S. pressure, Page 4

Bus crash death

A woman was killed and four people hurt when a double-decker but hit a queue of people and seven cars before crashing into a house at Rainhill, near Liverpool. Five policemen had to restrain the driver.

Kelly verdict

Misadventure verdict was returned by the jury at the Merseyside inquest into the death in police custody of Jimmy Kelly, 53. Mr. Kelly's relatives said they would fight on for a public inquiry.

Kagan remand

Textile millionaire Lord Kagan was remanded in custody in Paris for a further week pending the arrival of extradition documents from the UK where he is wanted in connection with alleged theft and forgery.

Prince flies in

Prince Charles met Premier Robert Mugabe after arriving in Salisbury for the Zimbabwe independence celebrations. Governor Lord Soames introduced the Prince to the new Cabinet. Page 4

Liberia 'rebellion'

Liberian radio station said some troops had rebelled against the new government and killed a member of the ruling People's Redemption Council.

Auction record

The National Gallery failed to secure a painting by 15th century Neherlands artist Dieric Bouts which fetched a record £1.7m at Sotheby's. The buyer was actress Jennifer Jones on behalf of tha Norton Simon Museum, California. Page 9

Print warning

National Graphical Association general secretary Joe Wede warned that if employers decide on a lock-out of printers taking industrial action, the pay dispute could hit Fleet Street. Page 10

Briefly . . .

Seven British seamen were hurt when a hnge wave atruck tha freighter Devonshire off South Africa.

China appointed two new vice-Premiers, Zhao Ziyang and Wan Li. Page 4

Two Costa Rican aircraft flew 253 Cuban dissidents to San Jose.

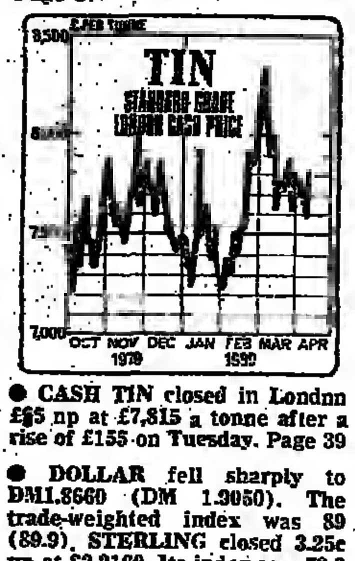
PUBLISHER'S NOTICE

The Financial Times apologisee fnr errors contained in this issue which are due to difficulties in the reading department.

BUSINESS

Gold up $32; equities firm

● GOLD rose in active trading on news of U.S. prime rates cuts to close $32 np at $529.50 after touching a high of $535. Page 37



● CASH TIN closed in London £65 np at £7,815 a tonne after a rise of £155 on Tuesday. Page 39

● DOLLAR fell sharply to DM1.8660 (DM 1.9050). The trade-weighted index was 89 (89.9). STERLING closed 3.25c up at $2.2180. Its index was 72.8 (72.7). Page 37

● EQUITIES were firm on revived institutional demand and the FT 30-share index rose 5.3 to 443.1. Page 40

● GILTS regained early falls and the Government Securities Index np 0.11 to 66.62. Page 40

● WALL STREET was 0.94 np at 784.30 before the close. Page 33

● UNEMPLOYMENT will rise sharply while output declines over the next few years unless high import tariffs are imposed and the pound devalued, the Cambridge Economic Policy Group argues. Back Page; Featur Page 25, Details Page 11

● IMPORT CURBS planned by the EEC on Japanese television were criticised by Thorn Consumer Electronics, the UK's largest set manufacturer. Page 8

● STERLING'S recent strength has put some UK companies in a position to realise exchange profits on foreign debts. Page 10

● SWEDISH inflation in the first three months of this year was roughly double last year's first quarter. Page 2

● MAJOR LENDERS gave strong indications that they have decided to restructure Chrysler's debt, relieve it from some interest payments, and lower rates on other loans. Back Page

● TRAFFIC through UK ports rose by 9 per cent last year to a record 386m gross tonnes, of which about two thirds was fuel. Page 8

● IRON AND STEEL Trades Confederation decided on new talks with Midlands employers rather than authorising a strike by 4,000 steelworkers over a 20 per cent wage claim.

COMPANIES

● GENERAL REINSURANCE Corporation, largest reinsurance goup in the U.S., is entering the direct insurance market by acquiring UK based Trident Insurance Group from Schlesinger Group for a price believed to be more than £10m. Back Page

● BURMAH OIL reported 1979 pre-tax profits up £50.21m to £67.34m, and a final divideod of 5p net, np from 1.5p at tha interim stage. Page 27 and Lex, Back Page

● RIO TINTO-ZINC, the mining and industrial group, announced record net profits for 1979 of £149.8m, up £47.5m. Final dividend is 10.5p net, making a total of 15p (11.5p). Page 29 and Lex, Back Page

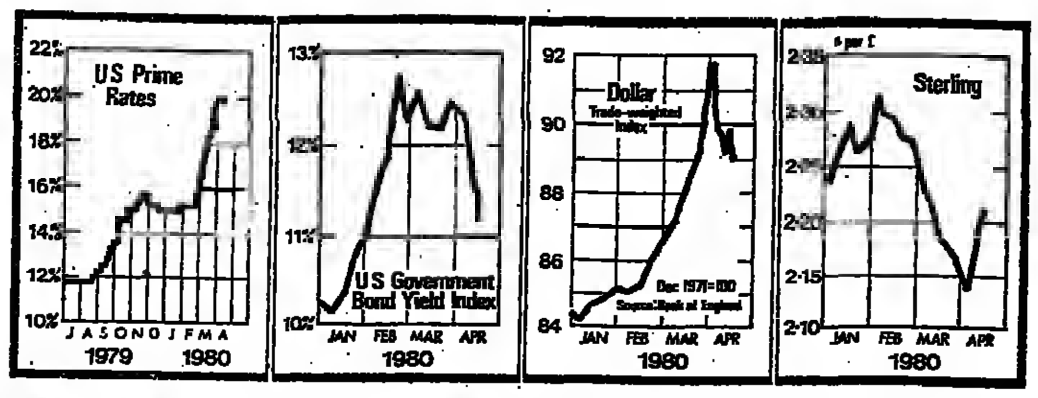
● HAWKER SIDDELEY Group blamed UK industrial unrest and oil price rises for 1979 pre-tax profits down from a record £118m to £107.8m. Page 26 and Lex, Back Page

● AMERICAN AIRLINES reported a first quarter loss of $41.9m (£19.05m) against a loss of $6.8m (£3.09m).

CHIEF PRICE CHANGES YESTERDAY

(Prices in pence unless otherwise indicated)

RISES				
Excheq. 10pc '83	£87¾	+ ⅛	Tarmac	230 + 7
Excheq. 12pc '13-17	£92½	+ ½	Thorn EMI	306 + 8
Assd. British Foods	91	+ 4	Unitech	290 + 15
Berwick Timpo	73	+ 5	Burmah Oil	222 + 7
British Cmwealth	284	+ 7	Imp. Cont. Gas	740 + 18
Brit. Home Stores	284	+ 9	LASMO	510 + 17
Distillers	207	+ 4	Siebens (UK)	655 + 45
Forward Technology	94	+ 7	Hong Kong Rubber	658 + 43
GEC	384	+ 7	RTZ	380 + 17
GUS A	390	+ 6	Stilfontein	695 + 29
Land Securities	316	+ 9	Unisel	421 + 17
Leigh Interests	136	+ 10	FALLS	
MEPC	209	+ 6	B and Q (Retail)	74 − 4
NatWest Bank	330	+ 8	Bristol Evening Pst.	146 − 6
News Intnl.	158	+ 5	Brocks Group	43 − 11
Richardsons Wstgth.	39	+ 5	Kitchen Queen	15 − 3
Rowntree Mack'tosh	160	+ 10	Smith (W. H.) A	132 − 14
Stylo Shoes	170	+ 10	Cons. Murchison	360 − 20



Chase cuts prime rate to 19¾%

BY OUR LONDON AND NEW YORK FINANCIAL STAFF

A WAVE OF optimism swept through New York's financial markets yesterday in the wake of Chase Manhattan Bank's decision to cut its prime lending rate from 20 per cent to 19¾ per cent.

The move is the first cut in prime rates since they began their seemingly inevorable rise to a record 20 per cent from 15¼ per cent on February 20 in response to the Federal Reserve Board's tightening monetary policy.

It came as Dr. Henry Kaufman, the Salomon Brothers economist who has been grimly hut correctly forecasting higher interest rates for two years, shifted his stance. He predicted that, "It is now likely that interest rates have reached their cyclical peak and will decline irregulerly" as the year progressed.

Dr. Feufman seid the prime rate could fall below 15 per cent in the second half of the year and that high grade utility bond yields could move into a trading range of 10½ to 11 per cent from over 12 per cent at the moment.

The Chase move was not quickly followed by other leading banks however, but only by some small regional institutions. While the consensus is that others will fall into line, the banks' desire to maintain their profits and a lingering anxiety about the possibility of a renewed surge in corporate credit demands, suggest that the prime will fall more slowly than it rose.

The Chaae move was also greeted unenthusiastically on the foreign exchange markets in the U.S. and Europe where the dollar, which has baen reacting badly to declining U.S. interest rates, slumped again.

In Europe, it fell to the lowest level for nearly a month against the Deutsche Mark at DM 1.8660, compared with DM 1.9050 on Tuesday, and showed a similar decline against the Swiss franc and Japanese yen.

Earlier in the day, the U.S. currency bad shown a slightly softer trend on fears of further unrest in the Middle East.

Sterling was slightly firmer overall in London, rilsing to 72.8 from 72.7 on the Bank of England index. The pound rose 3¼ cents against the dollar to finish at $2.2180, but showed mixed changes against other major currencies, falling against the D-Mark and Swiss franc, but improving in terms of the French franc, and holding steady against the Japanese yen.

The prospect of lower U.S. interest rates, coupled with the remarks of Dr. Kaufman, led to a scramble for high-yielding paper by investors in the Euro-

Continued on Back Page
Money Markets. Page 37

£1bn gilt stock may be fully sold out

By Peter Riddell, Economics Correspondent

THE NEW £1bn long-dated gilt-edged stock looks almost certain to be fully subscribed when the offer closes this morning.

The rise in gilt-edged prices yesterday morning made the stock—13½ per cent Treasury 2004-08—appear increasingly attractive, especially as only £20 per cent bas to be subscribed with tenders today.

The afternoon news of a cut in U.S. prime rates made the outcome look virtually certain, however. Prices of existing longs rose further after normal trading hours to end £¾ up on the day.

The result iis that the new stock is oow yielding significantly more than existing similarly-dated issues. So unless there is some sudden adverse news overnight, the main question looks like being the size of the premium over the fully-paid minimum tender price of £95 per cent, either at today's offer or when dealings start tomorrow. Brokers were last night talking of figures between £1 and £2, and there was speculation about a considerable amount of foreign interest.

Full subscription of the issue would mean that the Bank of England had arranged funding for most, if not all, of the Government's borrowing needs over the next couple of months.

BL threatens to dismiss strikers

BY ARTHUR SMITH, MIDLANDS CORRESPONDENT

BL CARS last night told its workers on strike, numbering more than 18,000 to return by next Wednesday or lose their jobs.

In a gamble which puts the whole future of the company at risk Sir Michael Edwardes, the BL chairman, haa embarked on a policy of direct confrontation with the Transport and General Workers' Union.

He has refused to compromise in the faca of official strikes which are progressively bring the whole car operation to a standstill. His threat to dismiss workers marks a dramatic departure for a State-owned concern.

The TGWU, clearly sbocked by what it described as a "provocative" initiative, reaffirmed support last night for workars who resisted the 5 per cent pay offer linked to radical changes in work practices.

Sir Michael can count on support in his tough line from the Amalgamated Union of Engineering Workers, second biggest union in BL, which is urging members to accept the deal. The disarray of the unions would prove an important factor in breaking the strikes.

Mr. Ray Horrocks, managing director of BL Cars Division, in a letter to hte 86,000 manual workers, said: "We are in no shape to recover intact from this or any other strike.

"At the best it means that some plaots may never reopen. Even those which appear to be secure may bave to be reviewed. There are no safe places."

The company believes that even with an immediate return to work "economies" will be necessary. The impact of the latest outbreak of industrial disruption on sales end profits is thought to make quick action imperative.

Further redundancies, delays ln model programmes and plant closures are again under consideration.

The decision to face workers with the ultimate threat of dismissal was approved yesterday by the BL board meeting at Longbridge, Birmingbam. It was held there to enable the board to visit facilities for the £285m new car, the Mini Metro, a project now clearly in jeopardy.

The company is gambling that the threat of unemployment—employees who do not report could forfeit back-pay and the right to redundancy money—will force workers back to their jobs.

The tactics have the tacit support of the Government. Mrs. Margaret Thatcher has already appealed to strikers to support Sir Michael, who she described as "one of the best managers British industry will ever have."

Mr. Moss Evans, general secretary of the TGWU, appeared prepared last night to go ahead with the meeting he initiated between leaders of the 11 manual unions and the company, fixed for today. Hopes of a peace formula must, however, have heen daahed by the company's uncompromising line.

Mr. Brian Mathers, TGWU Midlands secretary, maintained that the company's "attempts to impose 19th-century solutions" would stiffen resistance and spread the strikes.

In private, many union officials are uncertain bow members will react.

Many workers, tired of the uncertainty and continued threat of closures, might be prepared to continue resistance. But the risk of unemployment at a time of recession, and the threatened loss of redundancy pay which many believe will eventually be theirs, could influence them to return.

The impending confrontation is bound to sap employee morale and store up problems for the future.

As walkouts over the past week have demonstrated, workers may fight shy of set-piece union confronations, but will rebel when their own work conditlons ar ethreatened.

● More than 600 men and women at the BL engine works at Abingdon bave been laid off indefinitely because of a parts shortage caused by the strikes. Shortage of axles was given as the reason for halting production of the MGB range. They are made at the Austin Morris transmission plant at Drews Lane, Birmingham, which is picketed.

At Oxford Exhaustes 150 workers are on strike. After a mass meeting yesterday 60 decided to join 22 in petrol tank production who struck, rejecting new performance standards. Management said the strike was disrupling production throughout the factory.

£ in New York

—	Apr. 15	previous
spot	$2.1980-1990	$2.1980-1996
1 month	0.22-0.27prem	0.38-0.43prem
3 months	0.60-0.65prem	0.60-0.65prem
12 months	0.55-0.50prem	0.45-0.80prem

Earning trend continues upwards

BY PETER RIDDELL, ECONOMICS CORRESPONDENT

THE underlying rate of growth of average earnings has risen to over 20 per cent, the highest for more than four years.

There are, however, wide variations in the level of settlements between various sectors of the economy. The lowest average increases appear to be in manufacturing, where the profits squeeze is baving an impact, while the largest rises are in the private services sector.

Department of Employment figures published yesterday show that the index of average earnings covering 21m employees rose by 18.6 per cent in the year to February to 167.3 (January 1976=100). This compares with a revised annual increase of 20.1 per cent in January.

These figures are distored by a large amonnt of back-pay in the comparable month last year and by tha ffects of the steel atrike, which cut earnings by aboot 1 per cent. These factors more than offset the earlier timing of settlements in the current pay round.

The official view is that the underlying rise is 1¾ points higher than the published increase. This compares with a rate of just under 20 per cent in January and of 17 per cent last October.

The ennual month rate is expected to rise further as higher wage rises in the current ronnd are taken into account.

These figures comare with the estimate on Monday by Sir Geoffrey Howe, the Chancellor, that the average level of wage settlements since last summer bas been 16.5 per cent as a whole, 18.5 per cent in the private sector, and 14 per cent in the public sector.

Part of the difference can be explained by tbe usual 2 to 3 points for drift, including payments by results and regrading. In addition, public sector comparability ewards, notably by the Clegg Commission, have so far added nearly 1 per cent to tha 12-month rate and are likely to add 2 per cent by the summer.

Sir Geoffrey's estimate of en 18.5 per cent rise in private sector settlements so far in the current round also compares with yesterday's report from the Confederation of British Industry that its Databank indicates that balf the settlements bave been for 15 per cent or less.

Part of teb difference could be explained by the generally higher level of settlements outside manufacturing, notably in service aectors such es banking and insurance which are much less affected by the pressures of the strong pound.

The CBI survey is based on a sample of 449 settlements in manofacturing industry since last August, covering 96,500 employees. This forms part of the CBI's general information about settlements which on the basis of award so far covering 8.4m employees indicates increases of between 1.5 and 29.2 per cent.

The Government estimates ere regarded as approximate ln the absence of the detailed monitoring associated with incomes policy.

The CBI said yesterday that in nearly half the settlements recently reported to the Databank the level of company profits has been cited as exerting a "very important" downward pressure. This comparea with references in about two-fifths of the settlements repocted previously.

Editorial Comment Page 24

Arabs plan reinsurance group

BY MARY FRINGS IN BAHRAIN AND JAMES BUXTON IN LONDON

FOUR ARAB States are to set up a reinsurance company which will have an authorised capital of $3bn (£1.37bn). Kuwait, tha United Arab Emirates, Qetar and Libya are to aign a nagreement setting up the company as a joint venture in Bahrain on Saturday.

The objective of the company will be to retain io 22 countries of the Arab world insurance business generated in the region, whic hia thought to bava a direct premium income amounting to roughly $3bn a year.

Over the past decade and a half, Arab States have sought to establish their own reinsurance companies and reinsurance pools to increase the amount of premiu mincome retained in the region. But though some of the reinsurance companies bave been successful they and the reinsurance pools bave generally found that too few insurers have been willin gto place their reinsurance. The pools in particular have remained small.

Arab resentment against Lloyd's of London wbar emuch Ara breinsurance business is placed was aroused last summer, when tha Londoo insurance market imposed war risk premiums on shipping in the Gulf. After consultations, the increase was deferred; but a nnmber of Arab Statea decided as a result to form their own war risk reinsurance pool.

Very few details are yet aveilahle about the new company, which will be registered in Bahrain and will be open to otber Arab governments. Even if only part of the $3bn authorised capital were paid up, the new group would overcome the problem of under-capitalisation which bas hampered existing Arab markets.

The New York Insurance Exchange, the U.S. answer to Lloyds which opened last month, has capital of over $150m, wbile Lloyd's capacity amounts to $4.5bn.

This is the second large-acale financial institution to be set up in Bahrain, following the incorporation in January or the $1bn Arab Banking Corporation.

John Moore writes: The emergeoce of the new Arab insurance market has come at a time when insurers, worldwide, are suffaring a recession. Too many markets chasing business which has not grown at the same rate bave left their mark on premium rates, which are under intense pressure from competition. The new ambitions of the Arabs are likely to reduce rates further.

In terms of size the planned market looks impressive. With ex euthorised capital of $3bn the Arab market would be able to take on a large part of the business generated in its own area at tha expense of reinsnrers.

CONTENTS

For latest Share Index 'phone 01-246 8026

Swedish inflation doubles

By William Dullforce in Stockholm

INFLATION IN Sweden during the first three months of this year was roughly twice as high as during the first quarter of last year, according to the latest reports from the Statistical Central Bureau and the Price and Cartel Board.

The Statistical Bureau measured a rise of 5.6 per cent on its consumer price index between mid-December and mid-March, giving an increase of 13.6 per cent during the 12 months to the middle of March.

The Price Board recorded a 4.4 per cent climb in consumer prices during the first quarter. The difference between the two ratings stems from oil price increases in the latter half of December.

The Government imposed a six-week freeze on March 26 and indicated it would extend the freeze until the end of the year, if the unions accepted a moderate wage settlement.

A Government-appointed commission is trying to mediate between the Swedish employers' association, which has suggested that a 4 per cent nominal wage rise is the maximum industry can afford, and the blue-collar trade union federation, which has claimed a 11.4 per cent average increase. Both sides have threatened industrial action.

David Satter in Moscow analyses the long-term effects U.S. trade sanctions will have on the Soviet Union

Why Russia's economic planners may have to think again

THE SOVIET UNION has so far succeeded in blunting the effects of the U.S. economic sanctions imposed after the Russian intervention in Afghanistan. But even if America's European allies fail to co-operate over sanctions, there are increasing signs that U.S. retaliation may still take a serious toll on the Soviet economy.

The difficulty of making assumptions for the five-year plan of 1981-85 is greater than at any time since the war. The uncertainty concerns not only whether U.S. technology will be available for Soviet industry, and the degree of participation in the boycott by the U.S. allies, but also the fate of the SALT-II treaty, the defeat of which could lead to an enormous rise in the Soviet military budget.

The Russians have succeeded in circumventing the U.S. grain embargo, and appear likely to make up all but 3m to 4m tonnes of the embargoed grain. The U.S. ban on high technology is almost certain to be more serious, leading to shortages of spares and to industrial problems. U.S. industrial exports to the Soviet Union had a value of $749m in 1979 (compared with $2,856m for agricultural exports), but their importance was reflected less in their dollar value than in the role they played in critical industries.

The two most serious problems facing the Soviet economy in the 1980s are manpower shortages, which may lead to a decline in industrial production, and possible energy shortages, caused by inefficient methods of finding and exploiting oil and gas. The solution to both problems depends heavily on access to U.S. technology.

The inefficiencies of the centralised Soviet economy have traditionally been compensated for by overmanning, so that, in the early 1960s, increases in the number of workers accounted for almost half the rise in production. In 1981-90, however, the workforce will increase by only 4 per cent, and will not increase at all in Russia and the Baltic states, where Soviet industry is concentrated.

With alcoholism and labour delinquency increasing among Soviet workers, planners based much of their hope for higher production on computers, particularly in the large manufacturing complexes which the Soviets favour for producing high-priority industrial goods. Almost all the advanced computer technology in the world, however, is owned or controlled by the U.S.

The present embargo, to take the computer example, applies for the time being not just to U.S. computers but to U.S. components, used in virtually every Western computer, and to the U.S.-manufactured "mini-computers" which direct European machine tools. The embargo also covers spares, including spares for the computerised assembly lines at the giant Kama River lorry factory. The Soviets must do without new computers and face the gradual rundown of their existing computers for as long as the embargo remains.

> **Energy shortages and a lack of manpower are expected to be the major problems for Soviet planners in the 1980s. Before Soviet troops went into Afghanistan, they had hoped to solve these problems by importing Western computer technology, most of which is owned or controlled by the U.S., and oil and gas technology, both for prolonging the life of existing oil fields and for making new discoveries. The development of Siberian resources is also going to be hindered.**

The Communist Party newspaper Pravda said in February that Western sanctions could not affect the Soviet Union's general economic progress because all imports from capitalist countries amount to only 1.5 per cent of the Soviet national product, a view echoed by some Western businessmen. Such arguments, however, neglect the selectivity of Soviet hard currency purchases.

If the U.S. finally rules that deliveries on signed contracts should stop the break in trade would jeopardise major vehicle production, civil aviation, chemicals and energy projects, for which imported U.S. technology was necessary.

In the chemicals industry, for example, there is an enormous backlog of unfinished chemical plants, which are to form the backbone of Soviet fertiliser production. The computer control systems for these plants have not yet been installed and may be stopped by the U.S. embargo, jeopardising a Soviet investment worth billions of dollars.

The other important effect of the U.S. sanctions may be equally serious. Soviet energy demand is increasing steadily but, for the first time, Soviet oil specialists have acknowledged that oil production may begin to fall in the 1980s because of inefficient exploitation and the failure to find new deposits. As with computers, the Russians have made careful purchases of U.S. oil and gas technology, the loss of which will hurt oil production.

U.S. businessmen are being informed individually of the fate of their projects, but it is assumed that deliveries on the $144m Dresser Industries contract for equipment to produce high-quality drill bits will be halted. This must hamper Soviet oil exploration, which relies on high-speed turbo-drills with extra strong bits.

Oil exploration has already fallen 30 per cent short of the plan target for test drillings in 1979.

The loss of access to U.S. oil and gas equipment will narrow Soviet possibilities. The U.S., besides being the world leader in drill bit technology, produces the best submersible pumps. These are particularly valuable in the Soviet oil fields, which are believed to be 80 per cent flooded. Along with Britain, the U.S. has the most experience in offshore oil and gas technology, which will be the most important energy development area for the Soviets in the 1980s, and the U.S. has the most experience in chemical and carbon dioxide secondary and tertiary recovery methods, necessary to resuscitate the older fields in the Volga-Urals region.

Western technology normally either fulfils a critical function in a Soviet installation or is intended to spare the Soviet economy the research and development costs of establishing a new industry. It is cheaper to buy sophisticated technology from the West than, for example to divert it from the Soviet Union's own military sector, where comparable results are obtained because the Soviet armed forces spare no expense.

In July, 1978, President Jimmy Carter cancelled the sale of a $6.8m Sperry Univac computer, ordered by the Soviet news agency Tass, because leading Soviet dissidents were being tried. The sale eventually went to the French state-owned company Honeywell-Bull, and the episode was taken as another indication of the self-defeating nature of economic sanctions.

The planners as work on the 1981-85 five-year plan, however, can no longer be confident about replacing critical U.S. technology from other sources. They must be pondering whether to eliminate plans for computerisation throughout the economy and whether they will have to reorganise their oil and gas production efforts. The problem is more serious than it was two years ago.

An example of the way in which U.S. sanctions may reinforce each other is the possibility that the three Soviet computer centres which process seismic data for oil and gas exploration will run down because of component shortages. There is now a backlog of seismic data, which have already been analysed, because of the slowness of exploration, but when new data are investigated the Soviets may not have the means to process the seismic reports.

The allies do not appear likely to co-operate with the U.S. over sanctions, but there is reason to believe that the U.S. sanctions alone will have an impact in key areas.

The Soviets traditionally cut back on spares, with orders being pruned by as much as 75 per cent. There have been reports of giant excavators and pipe handlers standing idle because of the embargo's effect on spares deliveries. This, in turn, slows the development of resources in Siberia, where this equipment is used.

The largest recent U.S. contract, which will probably fall victim to the U.S. retaliation, is a $353m contract signed by the Soviets with Armco and Nippon Steel last December for the construction of an electric steel plant near Novolipetsk.

The Russians will be able to obtain a great deal of Western technology from countries other than the U.S. The American experience suggests, however, that a concerted Western strategic boycott affecting such areas as telecommunications, chemicals, steel production and energy, far from being futile, would be an important political lever, and would have a marked and lasting effect.

National wage deal agreed in Norway

BY FAY GJESTER IN OSLO

AGREEMENT WAS reached yesterday by Norway's main employer and union organisations on a national wage package. It provides for a general pay rise of 5.2 per cent from April 1, with relatively large extra rises for the lowest paid. To sweeten the pill for employers a 3 per cent ceiling will be placed on wage drift over the next 12 months.

The wage deal, which sets the pattern for pay awards throughout the country over the next year, has still to be approved by a ballot of unions and employers, but the recommendations of national representatives are usually accepted.

The Government is making a substantial contribution to the settlement in the form of tax concessions and increased childrens' allowances which will cost the state NKr 1.4bn (£127m) this year. When the benefits are taken into account, spending power for average income families with children will just about be maintained at last year's level. The trade union federation had hoped to boost wage earners' spjending power to the level it reached in 1978, before a price and incomes freeze was imposed.

The extra awards to the lowest paid will be financed with the help of a special "low wage fund" to which both employers and workers will contribute.

Leaders of both sides yesterday expressed satisfaction with the compromise. Mr Tor Halvorsen, the union federation chairman, said it represented a breakthrough for union efforts to improve the situation of the lowest paid. Mr Pao Kraby, chairman of the employers' organisation, was pleased that the unions had agreed to try to limit wage drift. This is an important goal for employers at the time when labour is tight and industry is seeking to improve its competitiveness abroad.

Parliamentary approval for the state contribution to the package is certain, since the alternative would be a labour conflict affecting almost all sectors of business and industry. Some opposition politicians, however, have criticised the size of the proposed contribution as inflationary.

Androsch defies critics

BY PAUL LENDVAI IN VIENNA

THE AUSTRIAN Vice Chancellor and Finance Minister, Dr. Hannes Androsch, has said on television that he would rather resign than give up his highly profitable accountancy firm, Consultatio.

The Minister has come under fire from the opposition over alleged irregularities in connection with a £1bn Vienna hospital project in which one of his professional associates has been involved.

The issue of Dr. Androsch's large business interests almost caused a public break between Chancellor Bruno Kreisky and his deputy before the last election. Dr. Androsch then agreed to transfer his controlling interest in Consultatio to three trustees. However, the firm is still owned by himself and his wife.

Chancellor Kreisky on Tuesday made it clear that he would prefer Dr. Androsch to loosen his ties to the firm, but the Minister flatly refused to take further action.

The issue is a serious embarrassment to the ruling Socialist party in view of the moral issues involved and the growing rank-and-file resentment.

Herr Anton Benya, the powerful union chief, continues to support the Finance Minister. And Chancellor Kreisky was urged publicly yesterday to give all out support to his deputy or to discuss him.

Parliament, meanwhile, voted yesterday to set up a special commission to investigate the charges of irregularities.

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Bonn confident growth target can be reached

BY KEVIN DONE IN HANOVER

THE WEST GERMAN Government is still confident that the economy will expand by some 2.5 per cent this year, but it appears less optimistic about the prospects of meeting its inflation targets.

Count Otto Lambsdorff, the Economics Minister, said yesterday that the aim of keeping inflation to an average increase for the year of 4.5 per cent had always been "ambitious." Consumer prices rose by 5.8 per cent in March compared witht the same month a year earlier, and Count Lambsdorff admitted that "during the year we much get back to lower figures, to at least get near our projection."

The annual round of wage negotiations, which is producing average increases of around 6.8 per cent was "reasonable" against the wage rises agreed in other countries, he said, and should allow the hoped-for growth in the economy. At the same time it should prove possible to keep unemployment down to a level of only 3.5-4 per cent.

The latest economic indicators showed that no abrupt worsening of industrial activity was to be feared.

Speaking at the opening of the Hanover Fair, the world's largest exhibition of capital goods, the Minister emphasised, however, the great uncertainties which were facing world trade as a result of events in Afghanistan and Iran and through rising energy prices.

He stressed that no West German companies would take over orders from the USSR abandoned by U.S. companies. But he also made clear that Bonn feels that any embargo on areas of trade with Moscow should be agreed under the so-called COCOM list of militarily and strategically sensitive goods. Economic measures bad to be very carefully considered within the NATO alliance and with Japan tn assess their actual chances of success.

He did not support suggestions of imposing sectoral or volume limits nn exports fnr large civil process plant projects.

"Whether the USSR's military potential is increased depends not on the volume of deliveries but on the sort of product."

Relations with East Germany—Herr Günter Mittag, a leading member of the East German politburo visited the fair yesterday—must still be developed, said Count Lambsdorff. The intended soon to visit Hungary and Romania as part of a move to build economic contacts with East Bloc countries.

West Germany stood at the alde of the U.S. nver Iran, he said. It was ready to take economic measures in support of U.S. attempts to free the bostages held in Tehran, even if there was nn general agreement on such action amnng all EEC members.

There shnuld also be no "bowing" before the threats to nil supplies made by Algeria and Libya.

Interest rates row erupts in Ireland

By Stewart Dalby in Dublin

A ROW has broken nut between the Irish Government and the central bank.

The Government, having failed to prevent a rise in interest rates by the four main associated (retail) banks which was granted by the central bank, is now fighting to stop a resultant increase in mortgage rates.

The standard ioterest rate is now 18.5 per cent, while the average mortgage arte is 14.5 per cent.

The building societies met nn Tuesday bnt agreed to defer a decision on an increase until next week. Mr. Micheal O'Kennedy, the Minister of Finance, meanwhile, has hinted he will find ways of subsidising mortgage rates.

How he can manage this without increasing the Government's indebtedness is hard to see. The Government already bas a pnblic sector borrowing requirement of 10.4 per cent this year and Mr. O'Kennedy has pledged that it will not be pushed any higher.

While ostensibly the row is between the Government and the building Societies, at bottom it boils down to a quarrel between Mr. Charles Haughey, the Prime Minister, and the Central Bank.

Since Ireland broke free sterling a year ago and joined the European monetary system it has been able to pursue an independent monetary policy. The Central Bank has discovered that as far as credit control is concerned it has powers more akin to the Bundesbank than the Bank of England and in trying to exercise these powers appears to have angered Mr. Haughey.

Divisions grow on Italian left-wing

BY PAUL BETTS IN ROME

RELATIONS between Italy's two main Left-wing parties, the Communists and the Socialists, have reached a new low in the past 48 hours.

The latest controversy follows particularly barsh Communist criticism of the new coalition Government of Christian Democrats, Socialists, and Republicans during the debate on a confidence motion in Parliament.

Althongh the new Government is expected to secure the confidence of Parliament later this week, it has come under severe attack from the Communists who have warned they will intensify their opposition.

They bave critised severely the appointment of Sig. Rino Formica, a Socialist Senator, as Transport Minister. This nomination, in fact, has become one of the main issues nf the confidence debate since he was nne of the protagonists in the recent scandal which led to the suspension of direct oil supplies by Sandi Arabia to ENI, Italy's national hydrocarbons agency.

Sig. Formica claimed an irregular commission had been paid in the 12.5m tonnes direct nil supply deal between ENI and Petromin, the Saudi Arabian state oil company. Subseqnent official inquiries, however, failed to substantiate the cbarges.

The Senator has himself now been accused of irregular practices when treasurer of the Socialist party. sh Socialist party by the distinguished veteran Senator Cesare Merzagora, a non-party figure who was once caretaker President and a former chairman of Italy's leading insurance company.

Although Sig. Formica and his party have flatly denied the accusations, the Communists bave given the affair considerable public exposure. This has prompted Sig. Bettino Craxi, the Socialist leader, to send an angry letter rebuking his Communist counterpart, Sig. Enrico Berlinguer, for his party's stand.

The row, howerevr, reflects deeper tensions betweens the parties. The Socialists appear irritated by Sig. Berlinguer's current visit to China which bas taken much of the steam out of Sig Craxi'a initiative towards China last year.

At that time, relations between China and the Italian Communists were still cool and the Socialists sought to establish themselves aa Italy's main go-between with China.

For their part, the Communists bave clearly viewed with years of a centre-left Government in Italy. They are also preoccupied by recent Socialist advances to the small left-wing Radical party, which has lately been one nf the Communists' fiercest opponents.

Sig. Craxi: angry words for Communists

Revelations shake France's ruling alliance

BY ROBERT MAUTHNER IN PARIS

THE ALREADY fragile alliance nf the two French coalition parties, the pro-Giscard UDF and the Ganllist RPR, was further shaken yesterday when a senior Minister alleged that M. Jacques Chirac, the Gaullist leader, would stop at nothing to prevent President Giscard d'Estaing from being re-elected in 1981.

The French satirical weekly, Le Canard Enchainé, published what it claimed to be a long confidential nnte sent three months ago by M. Alain Peyrefitte, the Justcie Minister, to President Giscard, analysing Mr. Cbirac's tactics, and profering advice on bow to isolate bim from his party.

To add spice tothe affair, M. Peyrefitte is bimself a Gaullist who has often criticised M. Chirac inthe past and wbn, together with other Gaullist Ministers, was debarred from serving on bis party's ruling bodies.

In the note, the authenticity nf which has so far not been denied nfficially, M. Peyrefitte alleges that M. Chirac would be prepared to make a deal with the oppositinn Socialists in order to scuttle President Giscard's chances of being re-elected. "M. Cbirac is an ambitions man who attaches more importance to hia political calculations and rancorous feelings than the general interest." the Justice Minister is quoted as saying.

In order to acbieve bis ends, the nnte says, the Gaullist leader would even be willing to reach an agreement with the Socialist party, under whicb the Socialist and Gaullist candidates would stand down in each other's favonr in the second round of the presidential election, depending on which one of them stood the better chance of being elected.

Another possible pnlicy option which M. Chirac is alleged to be considering is that the Gaullists should vote for a Socialist censure motion in the National Assembly, thus bringing down the Government and obliging President Giscard to call a general election.

In such an event, the Socialist and Communist parties were quite capable nf winning an absolute majority, according to the note, giving M. Francois Mitterrand, the Socialist leader, the opportunity of establishing bimself as Prime Minister before running for the presidency

M. Peyrefitte, according to the note, then goes on to make suggestions on the best way to neutralise M. Chirac and isolate him from his party. He advises President Giscard against head-nn clasbes with the Gaullists wbich would nnly serve to cement their unity. Instead, they should be "seduced" through the adoption by the Government of a nnmber of favourite Gaullist projects

The Gaullists, meanwhile, have called for the re-opening of the judicial inquiry into the 1976 murder nf Prince Jean de Broglie. Mr. Michael Poniatowski, the former Interior Minister and close friend nf the President, has denied allegations that he had advance notice of the murder plot from the police. He hit back yesterday by announcing that be would sue the Socialist and Communist parties for defamatinn and libel over their demands for his impeachment.

Banks ready for Iran sanctions

BY OUR BONN STAFF

WEST GERMANY'S banks have stressed that they are ready to respect a decision by the Government to impose economic and financial sanctions against Iran.

Representatives of the Federation of German Banks (BDB) told a Press conference in Bonn yesterday that they expected such sanctions to be imposed under the 1961 law governing the country's foreign economic relations.

Under paragrapb seven of this law, visible trade can be made subject to Government permissinn and paragrapb 23 permits restrictions tn be imposd in the banking and financial sector.

Tbe bankers said their business with Iran bad diminished over the last few months. They noted that Iranian assets with German credit institutes exceeded liabilities, but gave no figures.

Tbe government is boping to take a decision on sanctions jointly with its Eurnpean Community partners at the Fnreign Ministers' conference in Luxembourg early next week. Cabinet approval could follow next Wednesday.

All quiet on the Berlin front

BY LESLIE COLITT IN BERLIN

IN SPITE of the U.S. trade Union over its occupation of Afghanistan, Moscow's diplomats in Berlin continue to use the sprawling U.S. army shopping centre where everything from cameras to hi-fi is sold at tax-free prices in the PX run by the Pentagon.

The Russians also still frequent the NAAFI operated by the British Ministry of Defence for the needs of Britain's armed forces in Berlin. The Soviet diplomats are equally familiar in the French Army's Economat supermarket which offers Berlin's best value in excise-free wine.

Thus it is business as usual in Berlin despite Afghanistan, speeches in Washington and television reports o fthe world edging towards the precipice.

In Berlin things have not functioned so smoothly tince the four-power agreement was signed in 1972. The three Western Allies and the Soviet Union appear determined not to let Berlin fall back into the bubbling East-West cauldron.

At the air safety centre in West Berlin, Soviet air force officers belp ensure West Berlin's air links with West Germany by controlling the flights of every Western allied airliner arriving in and departing from West Berlin with their U.S., British and French counterparts.

The political advisers of the British, U.S. and French military governments in West Berlin recently met the counsellor of the Soviet Embassy in East Berlin, Mr. Bronislav Pavlovich Hotulev, in an atmosphere of four-power friendliness.

At Spandau allied prison the four powers continue to guard one lone prisoner who will be 86 on April 26. Herr Rudolf Hess has certainly noticed no change in the four-power routine. Each morning be receives censored copies of four West German newspapers, one from each of the former Western allied zones of occupation and West Berlin, as well as East Germany's Comunist Party newspaper, Neus Deutschland. All articles mentioning his name or having anything to do with the Nazi era are cut out.

Sir Oliver Wright, Britain's ambassador in Bonn, who also heads the British military government in West Berlin, held a routine lunch in his residence last mnnth with the Soviet ambassador to East Germany, Mr. Piotr Andreyevich Abrassimnv. Afghanistan did crop up in the talks which were described as "frank and businesslike" but thia was only a hiccough in the calm that surrounds Berlin.

At the West Berlin city government, talks took place only last week between a city nfficial and an East German representative nn the functioning of the visitor agreement under which 3.1m visits to East Berlin and East Germany were made by West Berliners last year.

As one Western official noted, everyone — the Allies, the Russians, the city government of West Berlin and the East German Government — are determined not to let the Cold War return to Berlin. "The alternative to things remaining quiet in Berlin," be said, "is for all bell to break loose again."

OVERSEAS NEWS

AMERICAN NEWS

Gaddafy fears growing opposition

BY OUR FOREIGN STAFF

THE ASSASSINATION last Friday in London of Mr. Mobamed Ramadan, a Lihyan journalist, highlights the domestic problems facing Col. Moammar Gaddafy, the Libyan leader. The death of Mr. Ramadan, an outspoken critic of the Libyan regime, coincides with a Libyan campaign against real or supposed opponents of Col. Gaddafy. As many as 2,000 people bave heen rounded np in recent months, including senior bureaucrats and bankers, as well as army officers. Last week a numher of students were arrested. Trials bave started, and the accused appear nightly on television, although no names have been officially pnblished and sentences are not known, although treason carries the death penalty in Lihya. In the prevailing climate of tension, some defendants, at least, are likely to be executed.

Many of them have been charged with corruption—notably with accepting "kick-backs" for obtaining contracts, and with illegally taking money out of the country—hnt the real motive seems to be Col. Gaddafy's fear of growing opposition to his rule. This extends even to npponents abroad, whom Col. Gaddafy vowed to "eliminate physically" at a meeting of Revolutionary Committees in Tobruk at the heginning of February. The late Mr. Ramadan hsd received threatening letters from the self-styled "Popular Committee for the Elimination of Enemies of the Revolution."

Brihe-taking for foreign contracts is indisputahly widespread, and certainly extenda to the armed forces. But army officers have been picked up more hecause their loyalty to Col. Gaddafy is suspect than for economic miademeanours. Col. Gaddafy even arrested his hrother-in-law of his second-in-command Maj. Abdul-Salam Jalloud. Last year, there were reports that Col. Gaddafy and Maj. Jalloud had fallen out (Maj. Jalloud took out exit visas to nine different countries, including Britain. The hasically political complexion of the arrests seems to be confirmed by the arrests of the students, always suspected hy the regime as a breeding ground for opposition.

The roots of discontent with Col. Gaddafy'a regime are diverse. The middle classes are bitter about tha nationalisation of husinesses — for which they have not heen compensated. There is also anger abont Col. Gaddafy's fruitless intervention in Uganda last year, in support of Idi Amin, and the heavy casualties which resulted. And all Lihyans are unbappy about spreading ahortages of essential commodities, including food.

Meat, for instance, can he ohtained only once or at most twice a week. Foreign currency is also bard to come by and, rightly or wrongly, this is blamed nn beavy payments to the Soviet Union for arms and lavish grants to foreign revolutionary organisations. Even companies allowed to repatriate funda are apparently being prevented from doing so, to conserve currency.

Col. Gaddafy: crackdown on corruption

Thia is surprising, in view of Libya's oil wealth, but oil revenue ia being squandered by administrative and technical inefficiency, a problem exacerhated hy purges in the bureaucracy. Even this who are still left to run Libya's affairs are too afraid to sign contracts or even have dealings with foreigners, for fear they will attract suspicion.

Two weeks ago, the biggest insurrection yet took place in Tobruk, whose inhabitants bave always been unhappy about central authority. They took strong exception to the arrival of Revolutionary Committees (directly appointed by the Government to prevent "deviations") and several people were shot dead.

The growing economic confusion and political repression is alarming Libya's large expatriate community — and Pakistanis have already been ordered to leave. Other foreigners who bave lived in Libya for many years are also considering leaving, but some are finding it difficult to do so. Britain's own position is particularly delicate because Libyans have beeo charged in London since Mr. Ramadan's murder. Scotland Yard is also interested in a relative of Col. Gaddafy.

Diplomats fear that Col. Gaddafy could ha sufficiently take reprisals against the Britisb Embassy or against the many British firms and expatriates working in Libya, one of Britain's largest markets in the Middle East. Both the American and subsequently the French Embassy and Consulate in Libya bave been sacked, in for policies the Lihyans objected to. These precedents bave made the British feel particnlarly isolated and vulnerable.

BP's Tehran talks 'inconclusive'

BY OUR FOREIGN STAFF

BRITISH PETROLEUM'S talks with the National Iranian Oil Company in Tehran over the latest Iranian oil price increase were "unsatisfactory," according to officials in Tehran. In London a BP spokesman confirmed that the talks were inconclusive and that there was little expectation of any progress over the next month.

The BP team will he followed in the next few days by visits to Tehran by Royal Dutcb/Shell and Japanese trading companies. The feeling among companies lifting oil from Iran is that the new price, effective

Between them the companies take the hulk of Iran's cootracted oil exports, officially said to be about 1.7m barrels a day. BP lifts 125,000 b/d, Sbell 100,000 b/d and 13 Japanese companles take about 510,000 h/d. They are said to be annoyed by the Iranian price increase to $33.50 whicb, with a minimum surcbarge, gives an effective price of $35—well sbove the prevailing price of Gulf crude and comparable to nr greater than the spot market price.

All the companies are believed to be under pressure from their Governments not to pay high prices for oil. Resistance is difficult, bowever. The nine-month contracts which all have signed do not appear to allow for any decrease or cancellation by the customer. A profit-sharing deal on some of the volumes is also said to be unsatisfactory.

BP and Shell are said to be anxious for crude to fulfil their requirements and both are said to be anxious not to hreak trading relations with Iran. Columes bave been savegely cut since the revolution but the country still supplies a significant part of their requirments.

Diplomats emphasise that negotiations might be overteken hy diplomatic events if European and perbaps Japanese sanctions are imposed next week. Mr. Ali Akhbar Moinfar, the Iranian Oil Minister, has threatened to cut off oil supplies to any country which joins the United States in sanctions against Iran.

There are no reports among non-Iranian officials ahout any failure by the National Iranian Oil Company to meet contract volumes despite fluctuations in production. But the officials say they are nnt aware of any contracts being stoned for new second quarter sales.

The rest nf Iran's oil customers—about 30 companies—take comparatively small volumes. But Petrobras, the Brazilian oil company, is also said to be unbappy with the price increases on its purchases of 60,000 b/d.

Latest official hut unpuhlished figures show, after an unexplained drop last month, that Iran is still capable of meeting oil requirements. Officially these are stated as 2m b/d for export and 1m b/d for domestic requirements, but foreign analysts say they are more likely to be 1.5m b/d for exports and 800,000 h/d for domestic use.

The few Britisb husinessmen remaining in Tehran say they are being encouraged to leave before the EEC Foreign Ministers' meeting, in Luxembourg next week, which is expected to decide on sanctions against Iran. Official Britisb advice to businessmen remains: "Do not come to Iran unless your business is absolutely necessary."

Indian bank take-over 'political'

By K. K. Sharma in New Delhi

THE NATIONALISATION of six Indian-owned commercial banks, announced by Mrs. Indira Gandhi on Tuesday night, is seen as a political move and provides the first insight into her style of Government since sbe took over as Prime Minister. It does not provide any indication of the Government's general economic policies since these bave still to be formnlated.

It is the absenee of an economic policy framework that suggests that the nationalisation is politically motivated. The move deflects attention to a radical and Socialist measura when the Government has elearly not tackled India's growing economic problems—mainly a 21 per cent inflation rate and stagnation in prodnction. The law and erder situation is also deteriorating.

The nationalisation announcement also comes shortly before elections tn nine state legislatures. These were dissolved by Mrs. Gandhi several weeks ago on the ground that the results of the January general election showed that the Janata-led Governments in the nine states bad lost their mandates. New legislatures are to be elected next month.

The take-over will bring almost the whole of the Indian-owned banking sector into Government bands. There is not thought to be any threat to foreign banks.

A similar move to give herself a Socialist image was made by Mrs. Gandhi in July, 1969, when she also faced economic problems and was uncertain how to tackle them. Sbe then nationalised 14 commercial banks, claiming that this would provide resonrces for rural development.

It bas sineé been shown thot the nationalisation had only a marginal impact on rural development. The banks opened many branches in villages, but they continued to operate within normal banking practices. A recent analysis shows that deposits mobilised in rural areas were used for loans to nrban areas.

Mrs. Gandhi bas maintained consistently that bank nationalisation is essential for economic progress.

Peking names two new Vice Premiers

By Tony Walker in Peking

ZHAO ZIYANG, a new member of the standing committee of the Chineae Communist Party, and Wan Li, a member of the newly formed party secretariat, have heen made Vice-Premiers.

The appointment of Mr. Zhao, 61, bad been expected. He is regarded as a most important figure in the new generation of Chinese leaders.

Mr. Wan, 64, is a close associate of senior Vice-Premier Deng Xiaoping and is a former party hoss in Anhui province.

The appointments were announced at a meeting of the standing committee of the standing committee of the National People'a Congress whicb ended yesterday.

Tha standing committee relieved two Maoists, wbo were sacked from the Politburo recently, of their positions as Vice-Premiers. Ji Dengkui and Chen Xilian now bave no standing in either party or Government.

Mugabe promises speedy action on resettlement

BY BRIDGET BLOOM IN SALISBURY

INTEGRATION of the three armies which fought in the seven-year Rhodesian guerrilla war will be the top priority of the new Zimbabwe Government which assumes full power at midnight tonight. Mr. Robert Mugabe, the Prime Minister, explained this at a Press conference in Salisbury yesterday.

He confirmed the appointment of Lieut-General Peter Mills, the former Rhodesian Army chief, as bead of a new joint armed forces command, and said that the aim was to create a single regular Zimbabwean army as soon as possible.

Mr. Mugabe yesterday morning greeted Prince Charles wbo will preside over tonigbt's ceremony when the Union Jack will he lowered for the last time and full legal independence will be granted to Zimbabwe.

Prince Charles, wearing a white naval uniform, was greeted by a 21-guo salute and a fly-past of four Hawker Hunter jets—the same aircraft that four months ago were atrafing Mr. Mugabe'a forces in Mozambiqua.

Dozens of VIPs, inclnding the Foreign Secretary, Lord Carrington, also arrived yesterday for the celebrationa.

Mr. Mugabe said that other critical areas where speedy action would be needed immediately after independence were the resettlement of at least 200,000 rfugees, who were still outside the country, and of Zimhabweans wbo bad been forced into protected villages or into shanty towns in the urhan areas as a result of the war. It is estimated that nearly 1m people are war refugees.

Also vital, Mr. Mugabe said, was the reconstruction and rehabilitation of acbools, bospitals and clinics wbicb had heen devastated or disrupted in the rural areas. The Government, he said, would move very quickly on land resettlement and on improving the conditions of service for workers in all sectors of the economy. He hoped that "real results would be seen in the next few months."

Brazilian wage reform proposed

By Diana Smith in Brasilia

BRAZIL'S Economic Development Council, chaired by Jose Figueiredo met yesterday to study proposals to alter the way in which wages are linked to changes in the consumer price index.

The proposals by the Planning Minister, Sr. Antonio Delfim Netto, coma in the wake of 18 per cent inflation in the first quarter, which threatens annual rates far beyond Sr. Delfim Netto's target of 50 pe rcent.

The business community is openly expressing qualms about the ability of Sr. Delfim Netto and his team to hold back what appears to be an inflationary rip-tide.

Arguing that automatic, inflation-indexed six-monthly wage adjustments are running several percentage points ahead of real inflation, Sr. Delfim Netto is recommending adjustmeot nf the consumer price index, the basis for balf-yearly increases.

He is also asking the Council to approve removal of the impact of oil-inflnenced price adjustments from this index, thus lowering its weight and making it possible monthly adjustments to wage earners.

At the same time, Sr. Delfim Netto is asking for a regional breakdown of the index—up to now it has been assessed nationally. This would permit variable wage adjustments in areas affected less or more harshly by inflation.

Meanwhile, to repress demand for up-market consumer goods, ease strains on money supply and hoost state coffers, Sr. Delfim Netto wants the council to approve apparently modest withholding tax on personal income that, so far, has been liable either to risihle rates of 0.3 per cent or no tax at all.

This income—from share dealings and transfers, rent, profits on sales of property and dividends—is known to bave totalled Cr 520bn (£5.2hn) in 1979-80 tax year declarations of non-taxable income. It is only marginally less than the 1979-80 taxable income budget.

At this stage, with inflation-related tension perceptable throughout Brazilian society, the administration risks unpopularity whether it tries to cool wage increases and consumer goods demand or not.

Sr. Delfim Netto's optimism—not long ago seen as a necessary psychological boost to industry and farm production—is now causing growing puzzlement.

The first calls for his resignation have come from farmers io the south who complain of credit squeezes and what they consider unfair prices.

Falklands talks planned

By Robert Lindley in Buenos Aires

NEGOTIATIONS between Britain and Argentina over the Falkland Islands crown colony, which Argentina claims as the "Malvinas" islands, will be renewed in New York on April 23. They will be the first talks since the renewal of diplomatic relations between the two conntries at ambassadorial level last month.

In February, 1976, Argentina requested the withdrawal of the Britisb Ambassador because of Argentina's displeasure over the British Government's sending of a fact-finding mission, led by Lord Shackleton, to the Falklands. Heading the New York negotiations for the British will be Mr. Nicholas Ridley, Minister of State at the Foreign and Commonwealth Office, and for the Argentines, Air Commodore Carlos Cavandoli, Under-Secretary of Foreign Relations.

Carter ready to detail more U.S. pressure on Tehran

BY DAVID BUCHAN IN WASHINGTON

PRESIDENT CARTER is to give a Pres conference later today, when he is likely to elaborate on how the U.S. intends to increase its leverage on Iran over the bostage crisis.

Hints of immediate new U.S. measures this week, following the break in diplomatic relations, have been somewhat discounted. Both State Department and White House officials bave indicated that allowing Iran plenty of time to react to the steps already taken is felt necessary to win the backing and active co-operation of U.S. allies.

The Administration has explicitly appealed to its European allies to join it in economic sanctions against Iran to bead off the need for the U.S. to take military action on its own—such as a naval hlockade of Iranian trade. At the same time, however, Mr. Jody Powell, the White Hnuse Press Secretary, yesterday denied a Boston Globe report that the U.S. had old its allies it would blockade Iran if by the week of May 10 no progress on the hostages was made.

"No decision to impose a blockade has been made or communicated," Mr. Powell said. Nevertheless, such a step is the next obvious option.

Domestic pressures for more forceful action are inevitably fuelled by the comment yesterday from Tehran by the Ayatollah Mohammed Bebeshti, a bardliner on the ruling Revolntionary Council, that the Iranian Parliament might not debata the bostages' fate until "June or July."

Meanwhile, the State Department is continuing to draw public notice to the apparent Soviet troop build-up in the southern Caucasus hordering Iran. "There is no apparent need for its based on any kind of defensive problem since Iran poses nn threat to the Societ Union," Mr. Hodding Carter, tha department spokesman said this week.

Mr. Zbigniew Brzezinski . . . accused by Pravda

The build-up is neither very sudden nnr massive, but the U.S. is eager to draw maximum Iranian attention to it to show Tehran that it is the Soviet Union whicb directly threatens it, not the U.S. However, some U.S. analysts are not unaware of the possibility that the Russian troops are on the Iranian border as a warning to the U.S. not to use force to settla the bostage crisis.

David Satter adds from Moscow: The Communist Party newspaper, Pravda, yesterday accused Mr. Zbigniew Brzezinski, the U.S. National Security Adviser, of "political charlatanism" for saying that the Soviet Union was massing troops in the Caucasus.

On Tuesday, Mr. Brzezinski likened the alleged build-up to the gradnal concentration of Soviet Forces north of Afghanistan and U.S.

Pravda said that although Mr. Brzezinski had referred to "trustworthy information" ahont the build-up in his statement, neither U.S. satellites nor monitoring stations located near the Soviet border had detected "a concentration of Soviet troops."

Mr. Brzezinski had simply fabricated this "frightening information." As he was inclined to do, Pravda said, although it did not deny that the Soviet Union had built up its forces in the Causasus.

Western diplomats in Moscow said it was unlikely that the Soviets were planning any military action against Iran but believe the alleged build-up and an earlier build-up of Soviet troops near the Afghan-Iran border would be a maans of reminding Iran of its vulnerability to Soviet military pressure.

Although the Soviet Union has supported Iran in its conflict with the U.S., the two countries have differed over the Soviet invasion of Afghanistan. The Soviet press has accused Iranian leaders of making unfounded attacks on Moscow while Iran has promised to suport the Afghan rehels if no regional solution is found to the problems created by the Soviet invasion.

Senate backs trucking reforms

BY IAN HARGREAVES

A MOVE to increase competition in the U.S. road baulage industry and to liberalise the tight regulatory framework of the industry bas won overwhelming support in the U.S. Senate.

In a 70-20 vote, the Senate hacked a Bill after some stormy aessions in committee and which bas been opposed vigorously by the American road baniage industry and the International Brotherhood nf Teamsters, one of the most powerful labour unions in the country.

The liberalisation programme, first moved some years ago by Senator Edward Kennedy, bad the firm support of the Administration, liberal Democrats, and Right-wing free market Republicans when it reached the floor of the House.

The proposals must now go to the floor of the House of Representatives, where the industry and lahour lobhles were considered to have much more infinence.

The Bill passed by the Senate bas four main provisions:

- It will make it easier for new firms to come into the industry by removing the obligation for newcomers tn demonstrate public need for their services.
- It will limit the right of bauliers to set rate collectively to situations where more than one hanlage firm is involved in a shipment.
- Hanliers will be free to alter rates within a fixed band without application to the Interstate Commerce Commission.
- A large number of petty restrictions on hauliers' freedom to carry certain kinds of cargo will be lifted.

The Congressional Budget Office says the legislation, if passed by the House, could save shippers $5bn to $8bn a year by 1985.

Mr. Alfred Kahn, chairman of the Council on Wage and Price Stability, hailed the proposed changes as anti-inflationary and helpful in tha bid to save energy.

The Teamsters, however, fear the changes would result in a beavy loss of jobs. The American trucking associations believe that many parts of the country will suffer serious loss of service as a result as pressures on the industry profit margins are increased.

The associations prodnced figures yesterday showing that their members' progts dropped by 26.98 per cent last year to an aggregate of $541m in spite of a 14 per cent increase in sales. The associations blame the liberalising efforts of the Interstate commerce commission in the last year for this development.

Mexico oil plan confirms production of 2.5m b/d

BY WILLIAM CHISLETT IN MEXICO CITY

OIL-RICH Mexico will definitely pursue a conservative hydrocarbon policy, according to its long-awaited 1980-82 plan. Expansion of the oil sector will be slowed, in favour of promoting the depressed agricultural sector, alleviating bottlenecks in the transport system, and generally paying more attention to Mexico's urgent social prohlems.

The plan, prepared by the Planning and Budgeting Ministry, confirms that oil production will be beld at 2.5m barrels a day (b/d), with a 10 per cent "flexibility" margin to satisfy rising domestic demand.

Oil exports in 1981 and 1982, based on Mexico's desire to reduce tbe current account deficit from 3.5 per cent of gross domestic product to 1 per cent in 1982, wil averaga 1.1m b/d.

Mexico is now prodncing just over 2m b/d, and exports about 800,000 b/d. There bas been speculation that Pemex, the state oil monopoly, would raise production once it had reached its 2.5m b/d target, whicb envisages exports of about 1.1m b/d.

Estimates of Mexico's oil production bave gone as high as 4m b/d by the end of 1982.

Mexico is expected to bave a greatly reduced current account deficit this year, after the 1979 high of $4.2bn. Oil exports will earn an estimated $9bn this year, compared with less than $4bn last year.

The plan repeatedly emphasises the need to avoid flooding the economy with petrodollars

From now until President Jose Lopez Portillo ends his term of office, public sector investment will be reorientated towards less favoured sectors of the economy.

Refugees start flying out of Havana

SAN JOSE—The first group nf 150 Cuban refngees arrived in San Jose, the Costa Rica capital, yesterday, at tha start of an airlift nf almost 11,000 people who swarmed into the grounds of the Peruvian embassy in Havana.

"This is an importat psychological symbol, to get this air bridge started," said Sr. Carlos Aguilar of the Costa Rica Foreign Ministry.

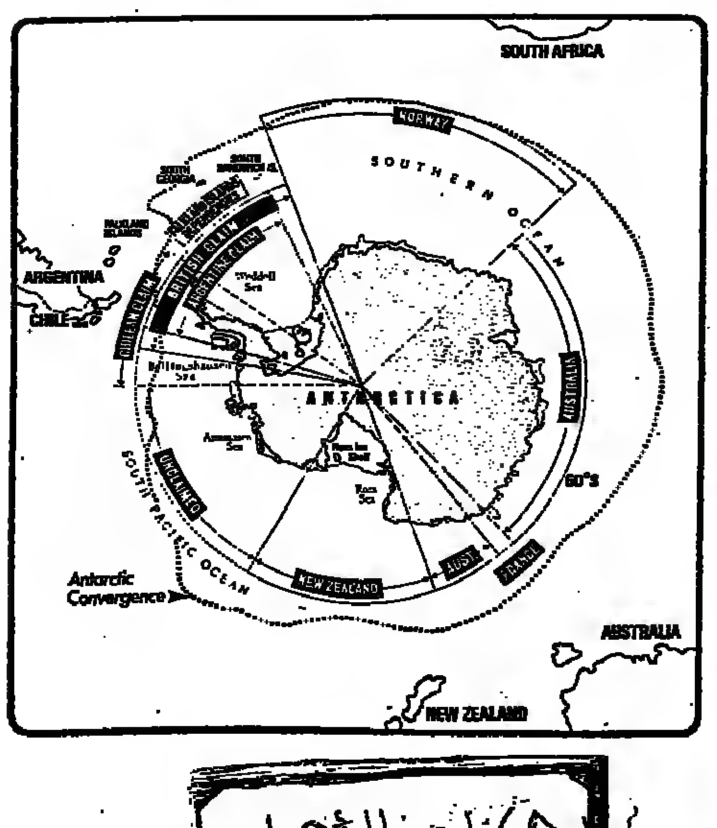
Costa Rica authorities refused to give further travel details, it was not clear if the 150, wbn arrived aboard one of two Csta Rica airliners being used for the airlift, were part of the 300 refugees Costa Rica is taking, or will continue to Peru, which bas agreed to giva asylum to 1,000 refugees.

The Cuban Government had been haggling with the Gnvernments nf Costa Rica and Peru over tha order in which tha peopla would ba allowed to leave.

Moreth an half the would-be refugees have places to go to. The U.S. will take up to 3,500, 500 can go to Spain, 200 to Ecusdor, 300 to Costa Rica, 300 to Canada and an undetermined number to Argentina, Brazil, Belgium, West Germany and Sweden.

Antarctic powers warned of the dangers of krill

BY DAVID TONGE



THIRTEEN MAJOR powers are to meet in Canberra in three weeks to finalise a convention on managing the Southern Ocean, around Antarctica. The ocean contains a sixth of the world's seas, and contains one of the great untapped marine resources, the shrimp-lika krill.

But a report* published yesterday warns that the high cost of krill fishing makes krill unlikely to become a major source of food for an increasingly bungry world; that even relativaly low krill catcbes could bave disastrous consequences for fish and whales in the ocean; that the present draft convention is deficient; and that, unless care is taken, the uniqne legal framework which has allowed a small group of countries to run a continent could he challenged by those so far excluded.

Japan, Poland, West Germany and the Soviet Union have already begun to fish for krill on a limited scale. The report warns that there are severe constraints on huilding a massive industry: krill is unlikely to become a major competitor to conventional shrimp; its colour, strong flavour, uncertain supplies and high cost mean it will bave trouble in competing as a mince; and its commercial success will depend on the success of krill meal as an animal feed.

But the speed with whicb krill rots, the short fishing season in the Southern Ocean, the remoteness of the area, and the special processing equipment which would have to be installed on krill ships makes the extensive exploitation of krill unlikely, given present technology, the report concludes. Bot, at a press conference, the anthors warned that their analysis depends on normal economic criteria being applied for sucb matters aa capital write-off.

The Socialist countries could decide to catcb krill for political or other reasons. Equally shipowners with vessels displaced from other grounds might decide it was more economic to use them in the Southern Ocean than lay them up. They thus foresaw krill being caught, although not on the massive scale once predicted.

However, they stressed that, as krill was a food for other fish and whales — a prey rather than a predator — even small catches could haveserioua consequeoces for other species. They pointed to the way that the overfisbing of capelin (a food for cod) in the north-west Atlantic bad severely threatened the survival of the local cod fisheries. The usual criterion of establishing a "maximum sustainable yield" of krill could not he applied when the krill was a prey rather than a predator, they insisted. And they pointed to the damage dooe to the population of the larger whales, whicb will take generations to repair, to stress the dangers of overfishing.

The report finds that the draft conveotion's empbasis on conserving the "ecosystem" as a whole is an important step forward in fishery management: previous fishery arrangements have usually concentrated on individual species. It argues that Article 2 of this convention, which calls for fish and other marine populations to be kept at levels wbich ensure their maximum growth, is acientifically untenable. It fears that insisting on decisions being taken by consensus will stop decisions being made. Among other points, it also questions linking the convention to the Antarctic Treaty, both because of the treaty's exclusive nature and because of the legal ambiguities it contains to reconcile the interests of states whicb claim (often overlapping) parts of Antarctica and those of states which recognise no sucb claims.

The report's authors insist that, if the regime for managing the Southern Ocean is to survive, it must be sceptable to the international community at large. What would bappen, they ask, if a non-ignator sets out to fish the ocean—let alone explore for oil off Antartica itself—and refuses to recognise the convention.

So far, the Antarctic Treaty power — Argentina, Australia, Belgium, Chile, France, Japan, New Zealand, Norway, Poland, Sonth Africa, the Soviet Union, the United Kingdom and the United States—have reaisted all attempts by outside powers to involve the whole internationa community. They bave also frozen the UN Food and Agricul ture Organisation out of preparation of the convention—although they have invited its firshery wing to Cangerra as an observer. But the anthors warn that if tha UN Law of the Sea Conference doea conclude, as boped, in the next year, many of those involved are liable to turn their attention to a continent which many countries consider, like the seabed, "a common heritageof mankind."

** The Management of the Southern Ocean, by Barbnra Mitchell and Richard Sandbrook of the International Institute for Environment and Development, with additional material by John Beddington and Seamus McElroy.*

Bos Kalis quits Western Sahara harbour contract

BY CHARLES BATCHELOR IN AMSTERDAM

A DUTCH construction company has for the time being pulled out of a contract to extend a harbour in the Western Sahara because of fears of disruption by Polisario guerrillas.

The Fl 110m ($53m) order to enlarge the fishing harbour of El Ayoune was the first major contract awarded to a foreign company in the desert area, where the Algerian-backed Polisario Front is fighting Moroccan forces.

The initial contract between Bos Kalis Westminster and the Moroccan Government was signed less than two months ago. Bos Kalis has now decided to put off the work since the risk of disruption by the Polisario is unacceptable, Mr. Hans Kraaijeveld van Hemert, the Bos Kalis chairman, said yesterday.

Bos Kalis's decision represents a major blow to the Moroccan Government which saw the order as an implicit acceptance of its sovereignty over the Western Sahara. The suspension of work had been "difficult" although the Moroccan Government finally accepted its reasons for the move, the company said.

Bos Kalis was to have built dams, harbour walls and break-waters and dredge 2m cubic metres of earth to make the small fishing harbour suitable for larger vessels. The work would have taken 2½ years.

Polisario took the view that the enlarged port could be used by supply vessels for the Moroccan forces operating in the area and considered any construction work an "act of war," Mr. Van Hemert said. "We underestimated the need to talk with Polisario before going ahead with the order, he added. "We accept that this was our fault."

The Moroccan Government is optimistic that Bos Kalis will be able to go ahead with the project in the near future although there are no indications as to when this will be, the company said.

Moroco attached great importance to the contract because it implied that foreign powers might modify their stand over recognising its sovereignty over the disputed Western Saharar. The order had, however, prompted parliamentary questions in the Netherlands since MPs last November approved a motion calling for the Netherlands to do all it could to oppose the Moroccan occupation.

European toy safety directive proposed

By John Wyles in Brussels

THE European Commission is preparing to ride into battle on behalf of the EEC's millions of children with a proposed directive for the first set of Community-wide standards for toy safety.

This, at least, is the hope of consumer protection organisations and many toy manufacturers throughout the EEC. The former are concerned about discrepancies between different national laws which mean that their effectiveness varies greatly. Manufacturers see many national regulations as major "non-trade barriers" to expanding intra-community business.

Given the Community's usual pace on harmonisation, adoption of the proposed directive by the Council of Ministers is probably many months and perhaps some years away. But the directive is among the most socially and economically significant of those produced by the Commission.

It is also the product of close to seven years' study consultation and analysis by Commission staff of an industry whose products are both diverse and numerous, but which amounts to a major consumer business with EEC-wide sales worth more than an estimated £2bn a year.

Among other things, the Commission's directive sets out general safety objectives. It says toy design should try to eliminate risks inherent in the physical and mechanical properties of a toy, including the chemical materials used in manufacture. Other risk categories include explosion, electric shock or burning, risk of infection due to poor hygiene and radioactive contamination.

The Commission plans to draw up specific technical standards for each category of risk.

Enforcement of the standards will be left to member States which will be required to ensure adequate checking to secure compliance. Officially prescribed tests could be carried out by approved laboratories and certificates of conformity issued.

New Delhi tightens import policy

BY K. K. SHARMA IN NEW DELHI

INDIA'S import policy for 1980-81 announced in New Delhi this week continues to be liberal, but some restrictions have been introduced because of the stagnation of exports which have falleo to an annual growth rate of just 7 per cent in the last three years.

The main change is that more than 50 items have been taken out of the purview of the open general licence, mainly to promote indigenous industry and reduce dependence on imports. These items have been put onto the banned or restricted lists while a number of other items have been transferred from the restricted list to the banned list.

Announcing the policy, Mr. Pranab Mukherjee, the Commerce Minister, said some from the banned list to the restricted list also, so that industry should have no difficulty obtaining imported materials not adequately produced in India. For the same reason, consumable items which are not included in the banned, restricted or canalised (through public sector agencies) lists are allowed to be imported under the open general licence by actual users.

The policy for import of spares for maintenance of machinery and equipment has been liberalised.

Import licences for spares will be issued to workshops engaged in the repair of machinery and vehicles so as to make it easier for users of machinery, equipment and vehicles to get servicing facilities.

For the pharmaceutical industry, loan licences approved under the Drugs and Cosmetics Act have been made eligible for "actual users' licences" in their own name for import of raw material. Mr. Mukherjee said all these steps were intended to promote the growth of diversified and broad industrial base to meet domestic and export requirements.

Public sector agencies will continue to play a dominant role in foreign trade, they will be granted import licences even for the "non canalised" items without having to obtain specific foreign exchange clearance for the purpose. The policy of "import canalisation" through public sector agencies will continue.

A few items have been added to the open general licence for import by all persons for stock and sale. These include copper scrap, lead scrap, photographic colour films and photographic colour paper.

Mr. Mukherjee said that liberalisation of imports was not an end in itself, but was intended to serve a purpose. Protection of the indigenous industrial capabilities had been given increased importance in the new policy. The objective was to encourage a diversified and expanded industrial production base which would help to curb inflationary tendencies in the economy and provide a healthy basis for a vigorous export drive.

Under the new policy, exporting companies will enjoy a greater flexibility in the import of items against their replenishment licences. They will not be confined to the usual shopping list of important inputs but will be able to import any raw materials, components, consumables or packing materials required for use in their own factories.

A further scheme has been introduced which would allow imports of raw materials against without payment of custom duty. The scheme of advance licences, with benefit of customs duty exemption, has also been made more comprehensive and simpler, with more import items added to it.

Sharp rise in Japan ship exports

TOKYO — Foreign orders received by Japanese shipyards in the financial year to last month totalled 294 ships, amounting to 7.24m gross tons, the Japan Ship Exporters' Association said.

This was up sharply from 154 vessels, totalling 2.24m tons, in 1979.

The 1979 total comprised 38 freighters totalling 321,800 tons, 128 bulk carriers totalling 3.68m tons, 110 tankers, totalling 3.20m tons, two ore/oil carriers totalling 8,600 tons and 16 others.

The association also said 1979 export orders were worth Y1.17m (£2.1bn), up sharply from Y1bn a year ago.

The sharp recovery in export orders was aided by the yen's depreciation against the U.S. dollar and an improvement in world shipping business.

The association said more than 85 per cent of the total contracts were denominated in yen.

The fiscal 1979 order total included 39 ships totalling 982,000 tons ordered in March, compared with 38 and 972,900 tons in February, and 13 and 130,300 a year earlier.

March export orders included 19 bulk carriers totalling 613,900 tons, 15 tankers 359,400 tons, two freighters 7,000 tons and three others 1,700 tons.—Reuter.

Nissan Motor, a major Japanese car and light truck producer, is expected today to announce its plans for the construction of a $300m light truck manufacturing and assembly plant, to produce about 120,000 trucks for the U.S. market annually, AP-DJ reports from Washington.

Cheap London-Paris air fares 'a success'

BY MICHAEL DONNE, AEROSPACE CORRESPONDENT

THE EARLY results of the cheap fares experiment by Air France and British Airways on the London-Paris air route indicate that it is successful.

Mr. Michel Baron, the UK general manager of Air France, said yesterday that in the first two weeks since the experiment began on April 1, Air France had experienced an 18 per cent increase in its traffic on the route compared with the same period of last year.

While part of this expansion can be attributed to the natural growth in air traffic on the busiest international air routes in the world, there is no doubt in the minds of the Air France planners that the bulk of the improvement is attributable to the cheap fares experiment.

The two airlines are offering a new type of service on the route. This involves the abolition of first class travel and the introduction of a two-class service—Club Clas and Economy Class. The Club Class single fare is £55 against the former first class rate of £71 single, while the Economy Class rate is £42.50 single against the original £47.

While these reductions may not seem to be very substantial Air France is convinced that they are attracting increased traffic. The airline said yesterday that its average load factor (the percentage of seats filled) on its London-Paris flights had been running at over 75 per cent in the early part of April, while the advanced bookings indicated a high level of traffic for the early part of the summer.

Air France, like British Airways, is not yet willing to say whether this new experiment will be extended to other European international routes, either from London to the Continent or within Europe itself. The only additional route on which it is due to commence is London-Nice on April 21.

But both airlines are now involved in extensive discussions with most of the other major short haul airlines in Europe.

Reuter adds from Tokyo: A joint Anglo-Japanese company, Rolls Royce and Japanese Aero-engines Ltd., has been established at Derby in the UK to develop a jet engine for short and medium-range commercial aircraft.

Under a 50-50 joint development agreement signed last December, Rolls Royce and three Japanese companies will develop a low fuel consumption jet with a thrust of 19,000 pounds in eight years at a total cost of Y140bn (£253m).

The Japanese companies are Ishikawajima-Harima Heavy Industries, Mitsubishi Heavy Industries and Kawasaki Heavy Industries.

UK sulphur buying pool approved by Commission

BY GILES MERRITT IN BRUSSELS

THE EUROPEAN Commission's competition authority has agreed to allow the 21 UK companies responsible for the bulk of Britain's sulphuric acid output to continue to buy and import crude sulphur collectively.

Known as the "sulphur pool," the collective ensures its import contracts on behalf of its members every six months. The membership, comprising both small and large companies, accounts for 85 per cent of UK production of sulphuric acid and includes ICI and Courtaulds.

The Commission's view of the system, following public hearings is that by putting member companies in a strong position when negotiating contracts, it allows smaller users to benefit from lower prices. However the Brussels authorities have insisted on a number of amendments to the pool.

Its restrictions on the use and re-saleof sulphur have now been abandoned, so that crude sulphur can be resold to other users in the EEC. The pool's status as exclusive supplier to its members has also been abolished if they wish, they may now buy up to 75 per cent of their total needs from elsewhere.

KCA negotiates Brazil oil deal

BY MARTIN DICKSON, ENERGY CORRESPONDENT

KCA INTERNATIONAL, the British-based oil drilling and services group, is in the final sharing exploration agreement with Brazil's Paulipetro, the Sao Paulo State oil company.

The move is regarded as spearheading KCA's expansion into Brazil and Latin America generally. It also underlines the gradual erosion of the exploration monopoly in Brazil once enjoyed by Petrobras, the national oil company.

Paulipetro, set up late last Paulo Maluf, the Governor of Sao Paulo, has an agreement with Petrobras which entitles it to prospect for oil both inside and outside Sao Paulo State. Paulipetro has been keen to attract foreign risk partners and is now involved in the drafting of final letters of intent with KCA.

The plan is that KCA would set up a subsidiary Brazilian company, linked to two further offshoots

Profits from the drilling company would be invested in the exploration company as KCA's contribution to the risk capital. The sum involved could be between $1m and $2m a year.

In a significant new step Petrobras has limited its own exploration work to the 760,000 square kms in which it is already involved. It has opened the remainder of Brazil's 5m square km to risk contracts with private companies, foreign or local.

This reflects the Government's ambition to see production rise from the present 190,00 b/d to 500,000 b/d in 1985.

Unions to halt output in Coca Cola protest

BY BRIJ KHINDARIA IN GENEVA

TRADE UNIONS in Sweden, Finland, Mexico and Spain have decided on a temporary halt in production and sales of Coca Cola to back a demand for an end to alleged worker repression at Coca Cola's Guatemala plant.

The Geneva-based International Union of Food and Allied Workers (ILF) said the unions were responding to a call it made two months' ago for action against the Atlanta-based Coca Cola company's handling of the complaints about its Guatemala licensed bottler. The ILF claims that Coca Cola workers in Guatemala are subject to "violent repression."

Swedish workers will halt Coca Cola production for three days this month, while Coca Cola production will be halted in Mexico for a week beginning April 24. Spain's restaurant and hoteliers union has decided not to sell Coca Cola for ten days starting May 1 and Finnish food workers' unions have called for a three-day production stoppage and a consumer boycott for five days starting April 25.

UK ECONOMIC INDICATORS

ECONOMIC ACTIVITY—Indices of industrial production, manufacturing output (1975=100); engineering orders (1975=100); retail sales volume (1976=100), retail sales value (1976=100); registered unemployment (excluding school leavers) and unfilled vacancies (000s). All seasonally adjusted.

	Indl. prod.	Mfg. output	Eng. order	Retail vol.	Retail value	Unemployed	Vacs.
1978							
4th qtr.	110.3	103.1	109	101.7	132.3	1,340	230
1979							
1st qtr.	110.2	102.8	98	100.7	134.0	1,351	234
2nd qtr.	114.9	107.1	106	106.2	144.8	1,299	256
3rd qtr.	113.3	103.2	99	99.5	144.6	1,269	247
4th qtr.	113.1	104.1	106	101.7	151.9	1,286	230
Oct.	112.1	102.8	101	100.8	149.1	1,282	237
Nov.	114.6	105.8	114	102.5	153.2	1,282	234
Dec.	112.5	103.8	103	101.7	153.1	1,294	219
1980							
Jan.	112.2	102.9		103.0	155.3	1,339	207
Feb.				104.1	158.7	1,414	181
March						1,414	181

OUTPUT—By market sector; consumer goods, investment goods, intermediate goods (materials and fuels); engineering output, metal manufacture, textiles, leather and clothing (1975=100); housing starts (000s, monthly average).

	Consumer goods	Invst. goods	Intmd. goods	Eng. output	Metal mnfg.	Textile etc.	Housg. starts*
1978							
4th qtr.	105.8	97.2	124.0	96.9	99.5	102.2	20.3
1979							
1st qtr.	106.0	99.3	127.2	98.9	99.6	100.1	12.9
2nd qtr.	108.8	103.0	132.8	102.7	108.2	103.1	21.3
3rd qtr.	105.6	95.9	132.7	94.9	105.4	100.6	21.0
4th qtr.	105.1	101.2	130.1	99.4	99.2	96.2	18.1
Oct.	104.0	98.0	130.0	96.0	100.0	97.0	20.5
Nov.	107.0	103.0	132.0	101.0	101.0	98.0	19.2
Dec.	105.0	103.0	128.0	101.0	97.0	93.0	14.6
1980							
Jan.	107.0	103.0	127.0	102.0	61.0	98.0	13.1
Feb.							11.4

EXTERNAL TRADE—Indices of export and import volume (1975=100); visible balance; current balance (£m); oil balance (£m); terms of trade (1975=1001; exchange reserves.

	Export volume	Import volume	Visible balance	Current balance	Oil balance	Terms trade	Resv. US$bn*
1978							
4th qtr.	122.5	112.9	−206	+534	−458	106.5	15.77
1979							
1st qtr.	109.0	116.9	−1,588	−1,215	−235	107.0	16.78
2nd qtr.	135.3	128.9	−486	−310	−229	106.4	21.69
3rd qtr.	129.8	128.1	−493	−238	−158	106.8	23.18
4th qtr.	129.3	128.9	−745	−674	−157	103.7	22.54
Nov.	131.8	125.8	− 75	− 51	+ 27	104.1	22.42
Dec.	131.3	131.2	−252	−229	− 88	102.6	22.72
1980							
Jan.	129.9	128.3	−321	−271	− 74	100.9	23.71
Feb.	136.8	129.1	−226	−176	− 52	100.6	23.93
March							26.96

FINANCIAL—Money supply M1 and sterling M3, bank advances in sterling to the private sector (three months' growth at annual rate); domestic credit expansion (£m); building societies' net inflow; HP, new credit; all seasonally adjusted. Minimum lending rate (end period).

	M1 %	M3 %	Bank advances %	DCE £m	BS inflow	HP lending	MLR %
1978							
4th qtr.	14.9	11.9	8.6	+1,774	878	1,584	12½
1979							
1st qtr.	7.6	9.3	32.6	+1,525	777	1,581	13
2nd qtr.	9.7	17.2	28.5	+2,707	777	1,867	14
3rd qtr.	15.5	10.2	13.2	+2,409	933	1,879	14
4th qtr.	5.1	12.6	16.2	+2,891	839	1,954	17
Nov.	6.5	13.3	19.1	+1,094	134	698	17
Dec.	5.1	12.6	16.2	+ 250	161	593	17
1980							
Jan.	− 3.1	8.7	22.6	+ 792	235	668	17
Feb.	− 6.4	10.0	20.7	+ 495	199	667	17
March					200		17

INFLATION—Indices of earnings (Jan. 1976=100); basic materials and fuels, wholesale prices of manufactured products (1975=100); retail prices and food prices (1974=100); FT commodity index (July 1952=100); trade weighted value of sterling (Dec. 1971=100).

	Earnings*	Basic matls.*	Whsale. mnfg.*	RPI*	Foods*	FT* comdty.	Strlg.
1978							
4th qtr.	136.4	147.1	157.3	202.6	208.0	257.69	62.7
1979							
1st qtr.	144.2	153.4	161.6	208.9	218.8	268.88	64.0
2nd qtr.	147.3	163.3	168.0	216.5	225.2	293.55	67.4
3rd qtr.	154.2	169.9	176.4	231.1	231.9	301.66	71.0
4th qtr.	161.7	183.9	181.8	237.6	237.2	295.13	68.8
Oct.	158.1	178.1	180.3	235.6	234.8	291.34	68.4
Nov.	162.1	186.0	181.6	237.7	237.0	297.22	68.4
Dec.	165.1	187.5	183.4	239.4	239.9	295.13	69.7
1980							
Jon.	163.0	193.5	188.5	245.3	244.8	305.59	71.4
Feb.	167.3	197.6	191.5	248.8	246.7	304.27	73.2
March		199.4	194.0			284.47	72.6

* Not seasonally adjusted.

Sharp rise in Japan ship exports

UK NEWS

Barnes given time to appeal

THE THREAT of imminent bankruptcy has been lifted from Mr. Derek Barnes, former chairman and mansging director of Northern Developments (Holdings).

Mr. Barnes' solicitors said yesterday that a High Court judge had suspended an order made on Monday in which Mr. Barnes was refused a stay of execution of the £1.78m judgement obtsined sgainst him by Williams and Glyn's Bank.

The suspension will remain in force until Mr. Barnes is able to appeal sgainst the refusal of a stay, which, said his solicitors, could he for two or three months.

The effect of the suspension is to prevent Williams and Glyn's from serving a bankruptcy notice on Mr. Barnes demanding payment of the debt which, with interest and costs, totals sbout £2.5m.

Failure to pay under such a notice would he an act of hankruptcy, entitling the hsnk to file a hankruptcy petitio.

A stay of execution would prevent the institution of bankruptcy proceedings.

Mr. Barnes' solicitors said that at a private heariog on Tuesday new material had heen put hefore the judge and, as a result, he bad suspended his order. Mr. Barnes has until June 1 to lodge notice of sppeal againsr the judgement in tbe main action, in which Mr. Justice Gibson held lsst month that Williams and Glyn's was eotitled to repayment of loans made to Mr. Barnes.

At Monday's hearing Williams and Glyn's undertook not to proceed with a bankruptcy petition if Mr. Barnes lodged a genuine notice of appeal by June 1.

In addition, the bank would not oppose any application by Mr. Barnes for a stay of furtber bankruptcy proceedings pending the outcome of the appeal.

Thorn criticises plan to protect TV market

BY ELAINE WILLIAMS

PLANS BEING considered to protect Europe's television industry from Japanese competition have heen criticised hy Thorn Consumer Electronics, the UK's largest manufacturer of TVs.

Mr. David Hewitt, the company's commercial director, said: "We think that to take a narrow view about Jspan in isolation is improper. If the EEC has a wish to protect European industry during restructuring, it is obliged to look at all suppliers, not just one in isolation."

The company believes that tbe European Commisison shoul also examine imports from Talwan, Korea and Singapore if it wants to impose import curbs. The proposals before the Commission, which are supported by Visconnt Etienne Davidgnon, EEC Industry Commissioner, would replace various restrictions operated hy EEC members.

Mr. Hewitt said voluntary restraint agreements negotiated annually by Britain and Japan protect British interests.

Protection has heen given hy patents covering the PAL television system which is operated in most European countries, one exception being France. This has restricted the size of TV screen which can he imported to any country nsing the PAL system.

Thorn believes that although some of the major patents have, or are about to, expire, protection from those still operating would be enough to halt further Japanese inroads.

Many Japanese manufacturers now produce sets in the UK. Sony and Matsushita, under the Panasonic trade mark have plants near Cardiff. Hitachi and Tosbiba have joint agreements with GEC and Rank respectively.

Thorn's TV manufacturing facilities will have reached the same standards as its Japanese competitors by July when a £13m modernisation programme is completed at its Gosport and Enfield factories. Automated machinery will account for nearly 70 per cent of production, double the existing capacity.

This modernisation has cost more than 2,000 jobs at Thorn. In 1979 the company closed its Bradford factory, and another 300 will be lost at the Enfield and Gosport plants, which employ 1,400 and 1,700 respectively, through natural wastage.

The UK television industry was criticised in the Boston Report two years ago for its low use of robots, a factor which, it claimed, contributed to inferior production rates and reliability.

Thorn says the introduction of robots for its TX9 range of television chassis has greatly improved reliability. Two weeks ago it began manufacture of the TX10 chassis for 22 inch and 26 inch models under the Fidelity brand. Both designs contain about a third less components than those thay replace.

Recently, Thorn sold the TX9 manufacturing licence to Italian manufacturers Philco-Italiano a deal which will earn £2.5m for Thorn in the first increasing outlet for its buslness in selling television technology to medium-size European manufacturers which do not have the resources to undertake new designs.

Thorn is to spend £3m in the autumn on promoting a range of sets to replace the 9000 series.

The company will manufacture abont 720,000 sets this year. It anticipates a big demand for replacement colour televisions this year as sets designad in thet early 1970s become obsolete.

Fewer homes for Ulster

BY OUR BELFAST CORRESPONDENT

GOVERNMENT spending limits on the Northern Ireland Housing Executive will mean building of 25 per cent fewer bomes than planned in 1980-81.

The executive, responsible for all public authnrity housing, bas been told to keep spending on capital projects to £112m as against the planned £130m.

The number of new houses to be started this year will be 3,078 instead of the planned 4,165. The executive's programme to rehabilitate and otherwise improve existing housing will be trimmed.

The xecutive said yesterday that a "measure of priority" would be given to Grester Belfast and Londonderry, where housing need was greatest.

Mr. Cbarles Brett, chairman of the executive, said that if the private sector could make an increased contribution, as the Government boped, it would be very welcome.

But it seemed that unless prices and interest rates fell dramatically, or incomes and prosperity soared, only the public sector could provide the number of homes needed.

Northern Ireland's housing standards are low. It has 141 unfit bouses in 1,000 against 46 ped 1,000 in England and Wales.

Teacher shortage worries ICI

By Sue Cameron, Chemicals Correspondent

LATEST FIGURES on the small number of students wanting to teach chemistry and physics were described as "really frightening" by Imperial Chemical Industries yesterday.

The group said shortage of science and mathematics teachers was hitting UK chemical industry recruitment.

ICI said that of 8,627 students applying to train next year as teachers via the B.Ed. ronte only 22 wanted to teach physics and 20 chemistry. An "unbelievable" 1,740 applied to teach physical edncstion. Of 12,050 post-graduate students only 229 wanted to teach physics and 435 chemistry.

There was an estimated 2,000 physical-science teachers national sbortage of about and about 4,000 mathematics teachers, ICI said. But the group believes statistics sometimes bide true dimensions of the problem.

Many schools had stopped teaching physics and chemistry altogether becanse they were nnable to find people qualified to fill long-standing vacancies, Mr. Bob Finch, ICI's schools liaison officer, said they had substituted economics or other subjects.

Other schools had filled vacancies with teachers unqualified to take science subjects. A "horrifyingly high" number of unqualified people were teaching physics and chemistry.

Traffic through Britain's ports up by 9% in 1979

BY WILLIAM HALL, SHIPPING CORRESPONDENT

THE TRAFFIC passing through Britain's ports rose by 9 per cent in 1979 to a new peak of 386m gross tonnes. About two thirds of the traffic (225m gross tonnes) was fuel.

As in previous years, the trend has been away from old-established large ports on the west coast towards smaller ports on the east coast. This reflects Britain's growing trade with the EEC and relative decline in trade with the old Commonwealth conntries.

Bnt on top of this Britain has ben developing a number of oil terminals which are fast hecoming among the biggest in the world.

Sullnm Voe in the Shetlands, and Flotta in the Orkneys collect oil by pipelines from the North Sea and then distribute it by tankers to refineries in Europe.

Traffic through London, Britain's premier port, dropped by nearly 7 per cent last year. Liverpool suffered an even sharper drop, with volume dnwn by some 1' per cent, according to the latest quarterly statistics from the National Ports Council.

Tees and Hartlepool recorded a sharp increase in traffic and in te next two years should emerge as Britain'e biggest port in terms of tonnage handled.

BRITISH PORT TRAFFIC—1979

	m. gross	tonnes
London	39.5	− 6.9
Milford Haven	38.6	− 3.1
Tees & Hartlepool	37.1	+18.3
Forth	28.8	+ 1.1
Grimsby	24.7	− 3.8
Southampton	22.6	+12.9
Shetlands	19.8	+12.6
Orkneys	17.6	+14.1
Liverpool	13.1	−11.3
Manchester	11.9	− 8.0
Clyde	10.1	+ 9.2

Source: National Ports Council, Quarterly Bulletin of Statistics.

In common with Sullum Voe and Flotta, Tees and Hartlepools Norsea terminal, which services the Ekofisk complex, is rapidly becoming a major European nil terminal. Last year Norsea exported 16m tonnes of oil. This year 20m tonnes should be exported and next year 28m tonnes.

Milford Hsven, Britain's major nil terminal and second largest port, suffered a 3 per cent drop in traffic last year. However, overall fual traffic increased by 12 per cent, reflecting Birtain's growing role as sn oil exporter. Fuel export traffic jumped by 36 per cent.

Non-fuel traffic rose by 4 per cent in 1979. Exports fell by 2 per cent but imports rose hy 8 per cent. Raw material imports rose 12 per cent and manufactured goods traffic rose 9 per cent.

Covrad to make 230 redundant

BY LORNE BARLING

COVRAD, the Coventry-based subsidiary of Associated Engineering, is to reduce its wnrkforce by about 18 per cent, making 230 people redundant. The move is due to falling demand for radiators and other products in homa and overseas markets.

Most of the cuts will be in the company's beat transfer division, which makes radiators and cooling equipment mainly for commercial vehicles and industrial engines.

The company has been operating a four-day week since the start of February, partly as a result of steel shortages, and poor demand.

This has heen caused by depressed conditions in the UK power-generating sector, and problems in formerly profitable overseas markets such as Iran, Iraq and Nigeria.

Mr. Alastair McWilliam, Covrad's managing director, said that demand for industrial space-heating equipment had also fallen as a result of the mild winter and cash problems in industry.

Covrad hopes most of the redundancies can be achieved voluntarily over a five-month period and that no further cuts will be necessary.

Mr. McWilliam said Covrad would have to improve its productivity to remain competitive.

Textile sales up this year

BY JAMES McDONALD

SALES in seven out of 12 textile sectors increased in January compared with tha same month last year.

However, in two sectors — meo's and boys' ready-made clnthing and overalls, and piece goods and nets — there were buge falls over the same month a year earlier, according to statistics released by the Textile Distributors Association.

Gross sales, less returns, of men's and boys' ready-made clothing and overalls in January were only about balf the level of January, 1979. In the piece goods and nets sector, sales were only 27 per cent of the level a year befnre.

Sales of bousehold textiles stood at just over 87 per cent of the January, 1979, figure, snd smaller declines over the year were shown in the women's underwear and coats, costumes, furs and raincoat sectors.

Increases were shown, however, in sales of women's knitted outerwear, blouses and skirts. Sales in the sector rose 29.1 per cent over the year, and in women's bose and children's socks there was an increase of 19.1 per cent.

Children's wear sales also were up by 25.6 per cent, floorcoverings rose 15.7 per cent, boots and shoes by 31.8 per cent and there were marginal incresses in haberdashery, ribbons and wool, and gloves.

Nine sectors of the textile industry showed increases in stocks at the end of January compared with a year before. Stocks of gloves were 482.7 per ceot higher and stocks of men's and hoys' ready-made clothing and overalls were up by 78.4 per cent.

In the women's hose and children's socks sector also, stocks were 41.5 per cent higher. Stocks of women's coats, costumes, furs and raincoats were up by 20.7 per cent and those of womeo's knitted outerwear, blouses and skirts rose by 16.8 per cent.

There was, however, a sharp drop in stocks of piece goods and nets to only 24.4 per cent of tbe end-January, 1979 level.

Seminars to help garment industry

By Maurice Samuelson

LOW COST improvements in manufacturing methods which are claimed to he capable of saving some vulnerable clothing companies from closure are to be demonstrated to tha industry in a series of seminars in Leeds, Nottingbam and London, starting next month.

They will demonstrate improved production methode identified over the past two years hy 10 companies which expect that their combined savings as a result of tha improvemants will exceed £250,000 a year.

the Garment Technology Group, The project wae organised by which combines the expertise of wide eections of the clothing industry.

Dr. B. E. King, director of the Wool Industry Research Association who suparvised the project, said in London yesterday that by improving their existing techniques companies with 150 to 200 employees could save £25,000 to £50,000 a year. For many companies threatened with closure this could be the key for their survival.

Plan to merge accounting firms

BY MICHAEL LAFFERTY

CORK GULLY, the City accounting firm which specialises in insolvency work, is to merge with Coopers and Lybrand, one of the largest UK accounting firms.

Cork Gully is taking this step after the failure of its plan to merge with Jolliffes, another City accounting firm.

As a result of the merger, which is due to take effect from July 1, the joint firm of Jolliffe Cork, which was created in 1976, will cease to exist. Jolliffes will revert to its previous status as a medium-sized accounting firm with a general practice and a strong audit base.

The merger with Coopera will not result in the loss of Cork Gully's identity. Instead, both the Coopers and Cork Gully insolvency practices will be merged, and the new firm will operate as a sub-partnership within the Coopers and Lybrand group.

The merger could make Coopers and Lybrand the largest accounting firm in the UK insolvency market.

The new firm will include all the present partners of W. H. Cork Gully other than Mr. Anthony Jolliffe, a senior partner of Jolliffes, and a number of partners from Coopers and Lybrand, including Mr. David Hobson, the senior partner, and Mr. Donald Chilvers.

Sir Kenneth Cork, the senior partner and driving force of Cork Gully, will become a consultant to Coopers and Lybrand.

Mr. Hobson said yesterday that the move represented an attractive opportunity for Coopers to develop its activities.

Sir Kenneth said Coopers had been his first choice for a partner once the decision had been taken to link with a larger firm six months ago. He was convinced the future lay "with the big battalions."

The move bad not in any way heen dictated by his own pending retirement.

Above average wage increases for managers

Increased salaries for professional industrial managers outstripped the average increase in overall national earnings by almost a third last year, according to a survey for the Institution of Industrial Managers. It shows that the average salaries of its members increased by 20 per cent last year, against a national average of 15½ per cent.

The proportion of members earning salaries above £6,000 rose from 57 per cent to 94 per cent, and the proportion of associate members and students in the same bracket rose from 16 per cent to 66 per cent.

Mr. Christopher Benson, general secretary of the institution, said he found it gratifying that industrial managers were gaining increased recognition as the key people responsible for the creation of the nation's new wealth.

Senior council men suspended

TWO SENIOR council officers at Sutton-in Ashfield, Nottinghamshire, have been suspended on half pay pending the outcome of an official inquiry into allegations that they ran a consultant architect's firm across the border in Derbyshire without their employer's permission.

A committee of inquiry set up by Ashfield District Council has agreed that the two men, Mr Michael Hessey, the assistant building director, and Mr Alan Purdy, the chief assistant architect, did operate a consultants' partnership in Alfreton, Derbyshire.

Telephone service 'making little headway'

BY JOHN LLOYD

SERIOUS inadequacies in the Post Office's telecommunications services are frustrating the needs of customers, particularly businesses, says the Post Office Users' National Council.

The Council claims that there is justification for believing that Post Office forward planning "has gone completely awry." It says there are nearly half a million people waiting for a telephone to be installed, and thousands of business users who want to expand their system.

The unusually outspoken criticism of the telecommunications business, in the Council's quarterly digest, came one day after Sir William Barlow, the Post Office chairman, announced bis resignation.

One reason for Sir William's decision to retire with two years of his five-year contract contract remeining is thought to be his inability to provide a better service telecommunications because of Government cash restrictions.

The Council says tha number of complaints it receives shows that the telecommunications husiness is making little headway in satisfying customers' demand, and that waiting lists in some regions appear to be growing.

It says: "What comes across perbaps more clearly than anything else from complainants is the conviction that identifying someone who can talk authoritatively about the problems associated with meeting their needs is well nigh impossible. They seem to be passed from pillar to post and to be unable to elicit any meaningful response along the way."

The Council is also concerned by its own lack of status. It complains of receiving proposals for price rises to late to be in a position to affect Government policies, and claims this attitude shows that "little more than lip service" is paid to consumers' interests.

"That aspect of the procedure which results in proposals being put to POUNC only after they have been 'cut and dried' and given Government approval tells us more about the Government's view of where customers stand in the pecking order than any statements they might issue in response to our reports," it says.

The Council says that it should receive, confidentially, tariff proposals at the same time as they are submitted to the Government.

The Council is also worried about its role after the Post Office splits into two businesses. It is opposed to a "super-nationalised industries consumers council," though it has more enthusiasm for a communications industries council as a counterpart to an energies' industry council.

"On the other hand, if the logic of seperate councils for individual industries remained, the logic of splitting the Post Office businesses would mean that POUNC should also be split," it says.

Local authorities must curb manning says Heseltine

BY ROBIN PAULEY

LOCAL AUTHORITIES could avoid further rate rises and redundancies this year by tackling manpower levels, Mr. Michael Heseltine, the Environment Secretary, said yesterday.

Local authority leaders claim that Government refusal to provide extra cash toward paying for the Clegg comparability award to teachers will lead to supplementary rate demands, cuts in services and "massive redundancies."

Mr. Heseltine bas told local authorities that the Government is sticking to its cash limits, and that no extra money will be available for pay awarda or inflation above the 13 per cent provided when the 1980-81 rate support grant levels were fixed last November.

The Government claims that it provided ao "adequate and realistic" amount for comparability awards when it fixed the total amount of rate support grant for 1980-81 at £1.38bn. An extra £150m was allowed, to he paid in November, 1980, for pay and comparahility awards settled in 1979-80, but which have become payable in full during the current financial year.

It is not possible to ascertain how much is for comparability awards in 1980-81 because the Government has refused to break down its cash unit calculations.

The Clegg awards for teachers, expected to cost an extra £640m in the current year, was not far removed from the expected figure, and it must be aasumed that most local authority treasurers adviaed their councils at rate-fixing earlier this year to allow for something of that order.

Yesterday Mr. Heseltine made plain that his policy was that there would not under any circumstances be more cash—for teachers, or for other high wage awards to blue-or white-collared workers, or for fire, police and ambulance employees.

A few authorities, trying to follow Government instructions to cut costs and keep rates down, may have underestimated Clegg and run their balances precariously low.

Welsh want separate steel body

BY ROBIN REEVES, WELSH CORRESPONDENT

PLAID CYMRU yesterday called for the British Steel Corporation's retrenchment programme to be suspended, pending substantial restructuring to include the setting up of an independent Welsh Steel Corporation.

In a memorandum to Sir Keith Joseph, the Industry Secretary, Plaid Cymru says the Welsh steel industry should be put under its own management and he free to pursue its own marketing policies in competition with State and private-sector ateel enterprises.

Mr. Dafydo Wigley, MP, told a Cardiff Press conference that Sir Keith had confirmed BSC would be pursuing a policy of decentralisation. Decisions about future employment levels should be left to the new management of a Welsh steel corporation.

BSC plans to axe a further 13,000 joba in the Welsh steel industry this year and halve production at Port Talbot and Llanwern steel plants. A large proportioo of BSC's sheet steel orders will be switched to its Ravenscraig works in Scotland.

Companies reluctant to back strike fund

BY JOHN ELLIOTT, INDUSTRIAL EDITOR

LEADERS of the Confederation of British Industry are still not sure whether they will gain sufficient support to justify introducing their proposed strike fund insurance in the autumn.

More than 75 per cent of some 120 companies of various types and sizes conaulted have so far expressed continuing interest, but only a handful bave firmly committed themselves.

The scheme needs to be backed by sufficient companies to produce an annual income in its early years of about £50m. If it were smaller than this it would not be attractive to many companies, especially larger concerns.

"It is still possible that we will not go ahead," Sir John Methven, CBI director general, said yesterday.

Sir John also admitted that some companies might agree to join because they are more interested in showing "employer solidarity" with the CBI than simply in the financial aspects of the acheme.

He said some large companies, which can afford to look after themselves, were more interested in the long-term exercise of changing the overall industrial relations climate.

"On the other hand small companies are interested for the immediate financial protection.

He also denied suggestiona published earlier this week in the Lloyd'a Bank Review that the insurance scheme could lead to longer and more frequent disputes. Experiences of other insurance schemes in the ahipping industry and in the U.S. did not support this view.

Recent changea made to the details of the acheme mean that companies will be able to choose how many of their individual establishments they insure. They will be covered for between 50 and 75 per cent of the costs of overheads during a strike.

Companies will be free to fix their own estimates of these costs and to choose what proportion to insure, between 50 and 75 per cent.

● The CBI yesterday also decided to tell the Government that the new Engineering Authority proposed in the recent Finniston Report should be set up by Royal Warrant independent of Government departments.

This view was pushed through by individual members of the CBI's council. They did not agree with the CBI staff'a initial acceptance of the Finniston Report's proposal that the Authority should be linked to Whitehall.

Joseph not to intervene in robots' introduction

BY DAVID FISHLOCK, SCIENCE EDITOR

ALLEGATIONS THAT British industry is neglecting the potential of robots to improve productivity and product quality, made by Government scientific advisers, have been confirmed by the Government.

But Sir Keith Joseph, Secretary for Industry, has refused to intervene: there will be no large-scale collaboration with industry to introduce robots on a wide scale.

Sir Keith, in a letter to Dr. Alfred Spinks, chairman of the Advisory Council for Applied Research and Development (ACARD) set out the Government's role.

It ia to provide an economic framework and climate which will stimulate enterprise aod efficiency and reward success, and we have begun to create the necessary conditions."

Sir Keith said he supported the emphasis of ACARD's report, on robots, last November. This stressed the importance of iodustry adopting the latest technology in its efforts to compete.

But Sir Keith could not "fully accept the views in the report about the extent to wihcb the necessary improvements could be achieved by new Government initiatives directed at selected parts of industry."

He added, however, that there were already a number of ways in which "help from the taxpayer for individual projects is made available."

Among ACARD's recommendations were national centres to demonstrate robot technology, and Government aid to establish a robotics industry in Britain.

Another report on robots, commisisoned by the Department of Industry from Ingersoll Consultants, draws attention, as did the ACARD report, to the much lower penetartion of robots into UK manufacturing than into the industries of Britain's main competitors overseas.

The consultants also stressed that application is more crucial than indigenous manufacture.

Sir Keith said there was evidence of growing intereat in the manufacture of robots, and cited GEC'a recent purchase of Hall Automation, and Fairey's plans to build Italian robots.

The Science Research Council would be supporting a substantial programme of research into "robotics and other aspects of computing and computer application," he said.

Sir Keith concluded: "An important consideration in encouraging the introduction of new technology is that managers should consult and obtain the co-operation of unions and workers.

"The Government welcomes the TUC's recognition that rapid adoption of technical change is essential if the UK is to compete successfully in world trade."

"Joining ond Assembly: the impact of robots ond outomation," HMSO, £1.75.

Rules on human drug testing to be eased

BY SUE CAMERON, CHEMICALS CORRESPONDENT

THE GOVERNMENT is to make it easier for pharmaceutical companies to test new drugs on human beings, Mr. Patrick Jenkin, the Social Services Secretary, said last night.

Mr. Jenkin said present regulations on clinical trials—on people as opposed to animals—were "unecessarily rigorous and inflexible." The UK's regulations were out of line with those of practically all other developed countries.

As a result, there waa a risk of early development work on oew drugs being carried out abroad instead of in Britain. This would be "to the detriment of the UK pharmaceutical industry."

Mr. Jenkin said he would introduce a scheme under which drug companies could apply for exemption from requirement to obtain a clinical trial certificate.

Mr. Jenkin, speaking at the 50ht anniversary dinner of the Association of the British Pharmaceutical Industry in London, said exemptions should be granted "unless the doctors in my Department and my other advisers bave reasoo to suspect that a trial would present an unacceptable hazard."

● Large, rich drug companies might find themselves being wrongly sued under proposed European product liability rules simply because of their supposed ability to pay compensation, Mr. David Smart, president of the associatioo at theat — of the association said at the dinner.

The danger of a big pharmaceutical group being unfairly sued might arise if several companies produced the same drug. If the drug was found to be defective in a particular case, there would be no way of knowiog which company was respoosible.

Securicor sued by bank

BY OUR LAW COURTS CORRESPONDENT

A CLAIM for £265,000 was made against Securicor Mobile by Williams and Glyn'a Bank in the High Court yesterday.

The money was the unrecovered part of a robbery from the Birchin Lane premises of the bank in September 1977.

Williams and Glyn's alleged that Securicor was liable to pay under an indemnity clause in a 1972 contract under which th ecompany agreed to carry money from the Bank of England to Williams and Glyn's.

Mr. Adrian Hamilton, QC for Williams and Glyn's, told Mr. Justice Parker in the Commercial Court on September 27, 1977 Securicor collected 50 bags containing £1.09m for delivery to Birchin Lane.

While the hags were being unloaded from the Securicor van and put into a money cage just inside the bank, a gang of armed robbers struck.

National Gallery bid fails

A PAINTING of the Resurrection by the mid-15th century artist Dieric Bouts, who worked in the Netherlands, sold for £1.7m plus 11.5 per cent in buyer'spremium and VAT, at Sotheby's yesterday. It was the highest price ever paid for any object at Sotheby's and is exceeded in the auction rooms only by the £2.3m at Christie'a in 1970 for a portrait by Velazsquez.

The buyer was the actress Jennifer Jones, on behalf of the Norton Simon Museum in California. Miss Jones is married to Norton Simon. The under-bidder was the National Gallery, which already possesses The Entombment of Christ by Bouts which is regarded as the matching side panel of an altar piece. The centre panel is believed to be a Crucifixion no in the Brussels Museum.

The price was well above Sothebv's conservative pre-sale forecast of £200,000, and is accounted for by the fact that paintings by Bouts rarely appear on the market. It was discovered by Derek Johns, head of Sotheby'a Old Master paintings department, on the Continent.

The fact that it has a good provenance and matches the National Gallery panel added to its appeal.

The previous auction for a Bouts was a modest £16,000 at Sotheby's seven years ago, and the previous best for a painting Sotheby's was $2.5m for Icebergs by the 19th-century American artist Frederic Church in New York last year.

SALEROOM

BY ANTONY THORNCROFT

The sales of Old Masters totalled £3,136,150. Another good price was £100,000 by a Zürich dealer for "A Winter Scene,55 1652, by Nicolaes Berchem.

He also acquired "A Southern Landscape" by Berchem for £50,000. An interior of the church of St. Cunera at Rhenen went for £52,000, and "Women Marketing" by Jan Weenix for £48,000.

Leggatt, bidding on behalf of the Scottish National Portrait Gallery, bought a portrait of the Earl of Arundel, 1565, by Steven der Moulen, for £6,200, and one of a man, catalogued S. Luttichuys, for £2,400.

A collection of 69 documents, letters and notes relating to one of the most interesting figures of the 18th century, the Chevalier d'Eon, who although of ambiguous sex managed a successful career as soldier and diplomat before being forced by Louis XV to declare himself a woman, sold for £13,000 at Christie'a yesterday. After his death in 1810 his sex was found to be male.

Fletcher, the London dealer, paid £10,500 for a collection of the autograph drafts of 13 novels, 44 stories, and some lectures by L. P. Hartley, while Quaritch acquired 53 letters by Robert Fitzroy, Captain of the Beagle, for £7,000. The Theatre Museum at the Victoria and Albert bought a Beerbohm Tree collection for £4,000.

OVERSEAS BORROWING

BY DAVID MARSH

Foreign debts yield profit

BRITISH corporate treasurers, wit htoes dipped into the chopy waters of international finance, are living through a new spisode in their hazard-strewn experience of foreign borrowing.

Heavy losses bave been suffered during sterling's weak spells in the lest few years by companies not cautious enough to have incurred oversees debts, unmatched by corresponding assets, in rapidly appreciating foreigo currencies.

However, now that the pound is riding high—thanks mainly to North Sea oil—companies are in the unusual positioo of being able to realis esubstantial profits on their overseas debts as a result of the slump in velue of foreign currencies against sterling.

Ironically enough, the number of companies to have profited from the turn-round is probably fairly smell. This is becanse many finaoce directors, their fingers hurned by previous incursions ebroad, took advantage of the abolition of exchange controls last year to make early repayment of burdensome foreign currency loans.

Many did so to cut their losses. But they were in fact, unwittingly paying too high a penalty. With the benefit of hindsight, il can now be seen that companies which had held oo to their foreign currency liabilities in the last six months would have made considerable currency savings.

The accompanying chart shows the savings that companies would have made by borrowing foreign currencies raiher than raising sterling finance in the last six months —a period In which the pound has risen hy almost 6 per cent on e lrade weighted basis, and in which sterling Interest raies have heen well above the international everage.

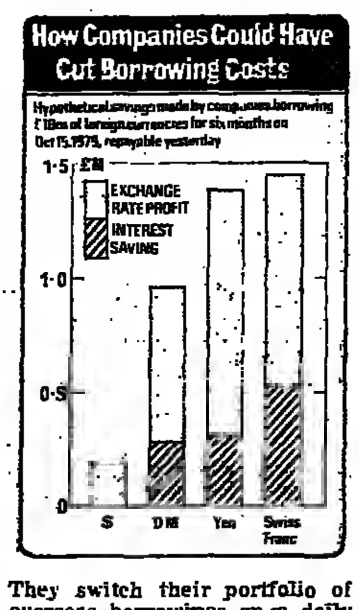
The calculations are based on the hypothetical case of a corporate treasurer borrowing £10m worth of various foreign currencies for six months at the ruling interest rates on Ocoher 16, 1979, just hefore the abolition of exchange controls on October 29.

The considerable savings are uiade up of two components. The first is the interest that bas been spared as a result of taking out lower-cost overseas finance. The second is a sizeable exchange rate profit that has accrued from the diminishing valne of the foreign currency liability.

Because of the strength of sterling, a corporate treasurer needed correspondingly fewer pounds to pay off his hypothetical £10m debt on its repayment date yesterday (April 15, 1980) than had be made the same repayment six months ago.

The amounts saved by raising funds in Deutsche Marks, Swiss francs, and yen instead of sterling amount to 10 per cent and more of the t otal borrowed amount. Companies which borrowed dollars would have saved much less on account of the high cost of dollar loans and the currency's relative firmness.

Some large companies of the size and international expertise of ICI, for example, bave adapted their foreign exchange management procedures since the abolition of exchange controls to take advantage of sterling's firmness. Since the sweeping away of controls, sophisticaled corporate treasurers can use much greater flexibility in handling their foreign exchange.



They switch their portfolio of overseas borrowings on a daily basis to maximise the benefit of short-term fluctuations in interest rates and currencies.

Such companies are, however, probably in the minority. Certainly it would have required extraordinary prescience for the bead of a company's finance department to have borrowed hard currencies six months ago bankiog oo a rise in the value of sterling.

Especially after the abolition of exchange controls, it appeared a safe bet that sterling would decline from a level that already appeared over-valued. This helped spur the decision to repay overseas loans.

Instead, largely as a result of climbing world oil prices and their effect on North Sea oil revennes, the pound has been under strong upward pressure for much of the last six months.

One company that took advantage of the relaxation of controls to repay foreign debt was Tarmac, which borrowed sterling in the latter half of last year to refinance part of its overseas currency borrowings—something that was forbidden under previous regulations.

Mr. Keith Harirs, the company's assistant group treasurer, says Tarmac was pleased to correct the imbalance between the foreign currency contest of its borrowings and its earnings. "But we hedged our bets by not repaying all the borrowings, and can take solace from the better rates that are prevailing now."

P. and O. too, was "delighted" to reduce its foreign loans exposure, which was concentrated in dollars, according to Mr. Oliver Brooks, its managing aod finance director.

"With hindsight, if we had decided to hang on, we might have made a small profit (from the exchange rate movements). But we don't regret having made the right strategic decision."

Welsh factory sell-off

THE WELSH Development Agency has appointed Healey and Baker as property consultants to advise on the sale of selected factories in its large industrial property porfolio.

The move is in line with the Government's wish to iovolve private sector finance in activities of the agency, the Welsh equivalent of the National Enterprise Board. Funds released from the sale will be used to finance further development work.

The agency's stock of industrial premises amounts to more tha n16m square feet and is valued at ahout £100m.

Healey and Baker, whose appointment is for two years, will advise the agency on ways of financing future industrial development. It will also tors to fund iodustrial property development in Wales, and assist in the formulation of estate management policy.

According to the agency, the appointment of consultants will relieve it of the need to recruit staff and allow its commercial deparment to devote more time to the location, commissioning, letting and management of industrial property.

The Government wants the agency to use the bulk of specially allocated funds to help offset the major jobs losses in the Welsh steel industry.

Print dispute may spread to national newspapers

BY PAULINE CLARK, LABOUR STAFF

MR. JOE WADE, general secretary of the National Graphical Association, warned yesterday that if print employers decide today on a lock out of printers taking industrial action, the print craftsmen's pay dispute could be extended to national newspapers.

Mr. Wade's statement is the latest development in what has amounted to a battle of nerves between the union and employers in the provincial newspaper and general print industry since national action in support of an £80 minimum-earnings claim began two weeks ego.

Employers representstives in the Newspaper Society and the Britishing Printing Industries Federation meet today to discuss ways of toughening their resistance to the NGA.

One of the measures discussed at an employers meeting last week was the possibility of suspending without pay members of the union who have been taking selective disruptive action.

Mr. Wade warned that action could be stepped up from the present campaign which mainly involves prolonged mandatory chapel (union branch) meetings where employers have refused to agree to a local interim pay deal meeting the union's demands.

Earlier this week, action led for the first time to suspension of publication by a major newspaper owner—Bristol United Press.

The Newspaper Society said that the number of reports of incidents of industrial action affecting its members all over the country amounted so far to 180.

The NGA has rejected a national pay offer of £75 a week minimum earnings.

Mr. Wade said: "Industrial action taken by my union has been carefully planned to ensura that it does not lead to permanent closures. But this decision by the BPIF and the NS will inevitably lead to the shutdown of a number of BPIF firms, including at least one large group."

In addition, he said, every provincial daily newspaper will close for the period of the dispute, even though most, if not all of them are already paying more than the NGA is claiming and working 37½ hours or less.

Mr. Wade said: "The only conclusion that I can reach from this piece of lunacy is that employers are determined to teach us a lesson and destroy our branches' and chapels' bargaining powers. They are going to be sadly disillusioned."

Phone bill strike averted

BY PHILIP BASSETT, LABOUR STAFF

POST OFFICE computer ataff are unlikely to take industrial action which would delay the issue of telephone bills now that their union leaders have agreed to continue negotiations on an improved pay offer.

The Post Office group executive of the Society of Civil and Public Servants had threateoed to strike over a differentials dispute with engineering supervisors, but last night it said the plan would certainly be postponed and probably avoided.

This follows a commitment by the Post Office that a negotiated settlement will be reached on the dispute, which was brought about by an arbitration award of between 21 and 26 per cent to the supervisors, by the end of this month.

The union had claimed that a 5¼ per cent payment promised to its members from April 1 had been distorted by the supervisors' award, and that the amount should now be about 13 per cent.

The Post Office is understood to have raised its offer to abont 7 per cent, and to have given a firm commitment to the union that its position will in future be improved against other unioos on the telecommunications pay "spine" which the corporation ist rying to bring in to restructure pay grades.

Hopes of achieving the major restructuring involved in the concept of the pay spine for the telecommunications busi ness have been improved by a two-part arbitratioo award to traffic supervisors in the telecommunications business, who are members of the Society of Post Office Executives.

This award brings to an end the final important separate telecommunications productivity schemes. One object of introducing the pay spine was to regulate pay levels hy abolishing productivity schemes.

Traffic supervisors receive a 6.93 per cent increase from January 1 last year on the understanding that the separate productivity scheme should cease from March 31 last year.

The second part of the award gives increases in line with the pay spine rises agreed last year for most other telecommunications grades. This gave 16 per cent from July 1, plus 2½ per cent for moving the pay settlement date by three months.

The tribunal awarded a further 5¼ per cent from April 1 this year in return for giving up a productivity scheme, but supervisors will not receive a further bonus of 2 per cent awarded to other grades.

A senior traffic supervisor's salary is increased to £8,638 from July 1 last year and to £9,095 from April 1. A telecommunications traffic supervisors' pay goes up to £7,658 this month.

CPSA officials to oppose election bid

BY OUR LABOUR STAFF

FULL TIME officials of the Civil and Public Services Association will appeal to delegates at the union's annual conference next month to reject left-wing attempts to introduce a new system of election rather than appointment of officers.

The officials of the union, the largest in the Civil Service, have successfully fought previous attempts. This year, however, they are worried delegates may he swayed by the sheer number of conference motions on the issue which are down for debate.

The officials, all members of the Association of Professional, Executive, Clerical and Computer Staff, will distribute to delegates a leaflet countering what they call an "unprecedented campaign" against them this year.

It says that the alternative to the full-time expertise of permanent officials is "negotiation almost entirely by industrial action."

The association has a record of swings between left and right in successive executive elections. The officials claim that there is the major principle at stake of whether the dominant political faction at any one time should control all the union's activities.

Their leaflet states: "We are not fighting the CPSA membership. We are fighting those who want to change this great union into one in which both staff and full-time officials become political prisoners."

Many of the motions calling for the election of officers are critical of the way in which recent disputes, particularly over pay, have beed handled and settled.

The left has already conceded that the election of officials, if introduced, could only be applied to new officers.

Councils face 20% demand

By Pauline Clark, Labour Staff

LOCAL authorities, whose budgets have been seriously depleted by recent pay comparability settlements, will next week receive a pay claim of at least 20 per cent for 560,000 council staff.

Following the comparability awards of 13 per cent to the same white collar group after industrial action last month, and more than 18 per cent to teachers, any settlement of that order could accelerate moves to increase rates and cut manpower.

Employers indicated last November that when the rate support grant wase settled, pay increases of only 9 per cent had been budgeted for on the assumption that the staff comparability award amounted to 10 per cent and the Clegg standing commission award for teachers te 20 per cent.

The 13 per cent settlement for local government manual workers last January had already left the employers' finances tight.

Local authorities have a turnover of labour for manual workers and white collar staff, but any suggestion of further job losses to help pay for wages would be opposed by the National and Local Government Officers' Association.

TUC view on imports 'not understood by Minister'

BY OUR LABOUR STAFF

THE Government has "fundamentally misunderstood" the TUC's position on import penetration, Mr. David Basnett, chairman of the TUC's economic committee, told the Commons' industry and trade committee inquiry into imports and exports.

Mr. Basnett criticised Mr. John Nott, Trade Secretary, for his reply to the TUC's recent letter outlining its concern at the impact of import penetratio on output and employment in some major industries.

He said Mr. Nott had suggested that the TUC's policy of advocating import penetrapolicy for general import controls.

Mr. Basnett said a ceiling would be tailor-made for the individual industry rather than an arbitrarily-imposed limit. The ceilings would be agreed by the Government, management and unions.

He attacked the Government for its "blind adherance" to the free trade and monetarism policies of Adam Smith and Professor Milton Friedman. "It is determined to make the UK an open market whatever the cost to our prodncers, and regardless of the behaviour of competitors," he said.

"The Government fails to recognise that we do not live in a world of free trade versus protectionism, but in a world where trade is ostensibly free but increasingly managed to some degree."

Bank's strike may spread

BY JOHN LLOYD

ACTION By bank messengers at National Westminster Bank's computer centres, which has helted cheque-clearing at NatWest, may spread to other major clearing banks today.

Technical and services staff, who are members of the Banking, Insurance and Finance Union, at NatWest's two major computer centres, have been on strike since Tuesday.

The centres are at Aldgate, in the City, and Kegworth, Leicestershire.

Members are striking in support of a £3,750 minimum-wage claim for all bank messengers. The bank said it would pay the £3,750 rate only to messengers aged more than 30.

Last night Mr. Keith Jones, assistant secretary of BIFU, asked technical and services staff in Barclays, Lloyds, Midland, Barclays Bank International, Standard Chartered and Williams and Glyn's to strike in support of NatWest colleagues.

At the sama time, NatWest's staff association instructed its members to continue to cross BIFU picket lines. They have been crossing the lines during the past two days.

Mr. Jones said NatWest had not indicated it would consider reopening discussions on raising the minimum paid to messengers onder 30.

The bank said last night that the door remained open for further discussions hut it had no fresh proposals.

Unionism 'cheap' says Murray

By Our Labour Staff

TRADE UNION contributions were in real terms now only one-third of their pre-war levels, Mr. Len Murray, TUC general secretary, said yesterday.

At the annual conference of the National Association of Licensed House Managers in Blackpool, Mr. Murray said trade unionism came cheap in Britain. "In no other way do so many get so much for so little. Union contributions give working people the best bargain they buy when they are spending the money they earn."

He suggested that unions could do more for their members if they had a little more coming in from contributions and hinted that the cost of the services the TUC provides to unions and their members might be reviewed at the annual congress in September.

Opposition attacks on industry

BY IVOR OWEN

WHILE REJECTING Opposition attacks on the Government's economic policy in the Lords last night, Earl Ferrers, acting Leader of the House, admitted that indnstry will have to endure unpleasant side effects before full recovery is achieved.

He told peers: "There comes a time after the administration of a cure that the patient is in the position of having both the fever and the cure and suffers from both.

"That is the situstion in which we find ourselves at the moment."

There were cries of dissant from the Labour benches wbcn Lord Ferrers claimed thst the Government's refusal to become involved was the "only gleam of light" to emerge from the recent prolonged steel strike.

In condemning the Government's attitude, Lord Lee of Newton, a former Labour Cabinet Minister, qnoted Press comment asking wbether there had been any winners in the steel strike.

"A few more Government successes like that and the patient will stop breathing," he scoffed.

Lord Peart, Labour Leader ln the Lords, launcbed the Opposition attack by moving a motion charging the Government with having adopted policies wblch had increesed inflation, unemployment and continued Britain's industrial decline.

He decribed Sir Keith Joheph, the Industry Secretary, as "e menane to the progress of industry in this country."

Analysing what he termed the "toll of disaster" resulting from the steel strike, Lord Ferrers maintained that Britain's overseas competitors were the only beneficiaries.

The strike had cost the Britisb Steel Corporation £310m and the effects on future orders might be even more serions.

Hitting back at Labonr peers who criticised the Government's refusal to intervene, Lord Ferrers contended that there bad been too many occasions in the past when demands that Ministers should find a solution hy waving some kind of magic wand bad been acceded to amid a glare of publicity in Downing Street.

"This Government intends to leave responsibility in the hands of those responsible," be declared. "It is the job of management and employees to negotiate e proper settlement."

Lady Seear, Liberal spokesman on economic affairs, seized on Lord Ferrers' admission that industry was now suffering from the Government's "cure" ln expressing qualified support for tha Labour motion.

She condemned the Government's over-reliance on control of the money supply in lts attempt to defeat inflation and the very higb interest rates which bad been lnroduced as a result.

The Liberals favoured a multi-pronged approach, and believed thst the Goveroment's assumption that control of the money supply would indirectly leed to control of the level of wage settlements was a fallacy.

Lady Seear argued that it was a mistake to rely on market forces to control pay bargaining because the trade unions were ehle to wield e monopoly power. She also contended that the level of pay settlements was unlikely to be affected by rising unemployment.

"The fact of the mattar is that when trade unions negotiate pay claims they are negotisting on behalf of those people in work and not on behalf of those people not in work."

Lady Seear warned thst ther ewas a grave danger tbat continued over-reliance on control of the money supply combined with high velue of sterling would leave hehind an industrial desert

Lawson denial on EEC Budget

By Philip Rawstorne

MR. NIGEL LAWSON, Financial Secretary to the Treasury, yesterday denled be had misled the Commons last month by presenting an EEC Commission document as an "important step forward" towards a solution of Britain's bndget contribution.

Facing criticel questioning by the Commons Select Committee on European legislstion, Mr. Lawson said tha document ahowed that possible additional EEC expenditure programmes in Britain would meet Community criteria.

"This seems to me to be of considerable significance," be sald. "The Commission have pronounced themselves satisfied thet the problem can be solved in a manner consistent with Community policies."

Mr. Lawson told the Committee: "I made it clear that this was a satisfactory basis for a solution given the political will... that it wbat really matters, the political will to meet a satisfactory future."

But members of the Committee took a sceptical view of Mr. Lawson'a interpretation.

Mr. Ron Lelghton (Lab., Newham North East) quoting the Financial Times report of last month's debete as an "impartial and accurate source," suggested that Mr. Lawson bad givan the Commons s "misleading impression."

Mr. Lawson retorted: "I totally repudiate that."

Asked wby the EEC Commission had been "astonished" by bis claims, Mr. Lawson suggested that othar newspaper reports bad been exaggerated.

Mr. Tam Dalyell (Lab., West Lothian) said that the Commons had been surprised by Mr. Lawson'a statement.

"I do not think you shonld blame the journalists."

And Mr. Leighton added: "Perhaps you made your presentation in an inadvisable way."

Mr. Lawson lnsisted that be bad given an accurate impression.

...Mr. Julius Silverman, the committee cbairman, pointed out that the document proposed a "one-off temporary arrangement" for increasing Britain's receipts from the EEC.

Mr. Nigel Spearing (Lab., Newham Sonth) sald the document referred to a possible £330m benefit to Britain from cbanges in the financial mechanism.

"The EEC would need to provide £500m at least through increased receipts to give a satisfactory compromise."

Rising unemployment and falling output predicted

Peter Riddell, Economics Correspondent, looks at the Cambridge Economic Policy Review

THE UK economy faces sharply falling output and rapidly rising unemployment over the next few years as a result of the "Government's abdication from management of the economy," the Cambridge Economic Policy Group argues in its annual Economic Policy Review published today.

The Group, a dozen Cambridge University economists headed by Mr. Wynne Godley snd also known as the New Cambridge school, strongly attacks current policies and instead advoeates a package combining devalnation with tariffs on imports in order to secure an economic recovery.

The review maintains that Government decisions are hased on "monetarist generalisations rather than any worked-out plan."

"Far from providing a coberent framework within which economic strategy can be assessed, the Government has proposed money supply targets and projections of public sector borrowing incoberently related to one another and completely unrelated to any of the objectives of economic policy.

The Group asserts that the "presumption must be that Gross Domestic Prodnct, so far from rising after this year, would continue its absolute decline. The tax base would contract, public expenditure would be forced up and instead of there being omney for tax cuts, the Government would have to raise taxes, charges and nstionalised industry prices, rnund after round."

It is argued that the Government'a most serious mistake has been "to ignore the devastating implications of a rising sterling exchange rate, accompanied by domestic inflation in excess of that in competitor countries, for Britain's already weak trading position." Other mistakes were "to imagine that the Government would he able to afford significant tax cuts and thereby stimnlate better business performance" and "to assume that control of the money supply would necessarily bring down the rate of inflation."

The result will be to create "a recession withont parallel since the 1930s." It "seems inevitable" that the programme will have to be abandoned.

The Gronp has prepared a base projection on the basis of a broadly continuation of the current mix of policies. This could lead to a decline in Gross Domestic Product of 8 per cent between 1979 and 1981—twice as large as the biggest previous tow-year drop since the war—with unemployment rising to over 2¼m before the end of next year. Output would continue to decline thereafter though consumer spending would rise and the inflation rate would decline into single figures; by 1985 unemployment would be up to 4.4m.

This prospect is contrasted with the alternatives of a sharp devalustion and this course coupled with imposition of general import tariffs.

The devaluation strategy would be on the basis of a large (over 20 per cent) fall in the exchange rate at the end of this year occompanied by a very tough incomes policy cutting wage settlements in real terms by 11½ per cent, that is back to their 1977 level.

This would mean that by 1983 the fall in Gross Domestic Product caused hy present policies could more or less bave ben recovered. The public sector horrowing requirement would look very large (£15bn to £20bn at current prices), though this could be seen as a virtue and as the counterpart of a deliberately stimulated recovery of activity.

The immediate problems would be that the recovery would come too late to prevent unemployment from rising to a level in excess of 2¼m, that tha severe incomes policy on wbich the strategy rested would after a time hreak down, and thet sterling might still look unsafe, having fallen so far. Since further effective devaluetion would he out of the question, at least for several years, the old problem of slow growth would soon reassert itself.

Consequently, the Group advocates instead e package combiming tariffs and devaluation. The suggested tariff rates are 20 per cent for semi-manufectures, 30 per cent for finished manufacturers, 15 per cent for services and zero for food, oil and raw materials, imposed from the start of 1981. There would be a 25 per cent devaluation of the pound to help exports.

The Group also assumes that Britain would have to leave the EEC and that total UK exports would be reduced by 5 per cent because of consequent losses of preference.

The tariffs would yield a revenue to the the Government of about £11bn at today's prices which could be used to cut the cost of living and to fund investment.

It should be possible to restore 1979 levels of spending and output hy the end of 1981, with unemployment of 2.1m then, and to maintain a rate of economic growth averaging 3 to 4 per cent annually for two or three years threafter.

The course of inflation would be uneven partly depending on the operations and effectiveness of incomes policy. Tha Gronp proects a decline in the rate of consumer price inflation to 6.6 per cent by 1983 before a re-acceleration to over 20 per cent by 1985.

In the long run it would probably be necessary to increase the tariff rates or to devalue further in oredr to keep growth going, particularly because North Sea oil and gas production will soon pass their peak levels.

The review also discusses wbether such wide-ranging tariffs would be legal. The Group argues that tbe UK will have a strong case under article 12 of the Genearl Agreement on Tariffs and Trade provided that the tariffs are non-discriminatory between countries.

The UK should say that the purpose of tariffs "will he to permit internal recovery, not to cut imports by more than would otherwise have happenad through internal deflation."

The latest review also contains e discussion of Britain's relations with EEC. The group says thta arguments about the UK's net contribntion to the EEC Budget ignore "far more important questions abont our relationship with Europe, in particular the prohlem of Britain's long-standing relative economic decline and de-industrialisation."

The Group estimstes that Britain bas lost far more on trade in manufactured goods than on Budget contributions and that its performance has been below average in services. The main trade gains by the UK bave been on food and (due to the North Sea) on fuels.

Cambridge Economic Policy Review, April 1980, volume six, number one, from Gower Publishing Company, 1 Westmead, Farnborough, Hompshire, GU14 7RU. Price £6.50 including postage and packing. Two further issues, dcaling with regional ond international questions, will be published later this year.

CAMBRIDGE ECONOMIC POLICY GROUP

			Consumer spending (£bn at 1975 prices)	Gross Domestic Product	Consumer Prices (percentage increase over previous year)	Export competitiveness (1975=100)	Unemployment (millions)
1979			69.4	113.9	11.9	109.9	1.3
1980			66.8	107.0	19.1	122.6	1.9
1981	Base	(1)	67.0	103.2	12.6	129.0	2.6
	Dev.	(2)	64.2	104.9	17.8	105.1	2.5
	Tar.	(3)	69.3	111.7	9.8	105.1	2.1
1983	Base		70.4	101.6	9.8	139.0	3.6
	Dev.		67.1	111.2	11.8	105.1	2.9
	Tar.		76.3	126.4	6.6	105.1	1.9
1985	Base		74.5	100.6	7.9	145.1	4.4
	Dev.		69.0	110.1	22.0	105.1	3.6
	Tar.		79.5	134.5	20.4	100	1.8

1) Base Projection—assumes real cut in public spending of 8 per cent between 1979 and 1982, and constant expenditure thereafter, as well as rise in real burden of taxation. Nominal exchange rate constant at February 1980 level.

2) Devaluation in 1981 to secure 14 per cent improvement in real export competitiveness and thereafter depreciation to offset domestic inflation compared with competitor countries. Two-year incomes policy in 1981-82.

3) Tariffs and devaluation in 1981. Tariffs imposed on imports at the same time as 1981 devaluation. Initial tariff rates of 15 per cent on services, 20 per cent on semi-finished manufactured goods, and 30 per cent on finished manufactured goods—rising progressively to levels of 36, 48 and 72 per cent respectively by 1990. Also two-years incomes policy and further real devaluation of 5 per cent in 1985.

Source: Cambridge Economic Policy Review.

Right and Left close ranks on conference

By Elinor Goodman, Lobby Staff

BOTH SIDES of the Labour Party closed ranks yesterday in an attempt to prevent the Conference which is supposed to co-ordinate Labour'a fight against the Tories developing into another in-fight between Left and Right.

At a meeting of the special committee set up to draw np a policy statement to be put to the one-day conference next month, both Mr. James Callaghan, the party leader, and Left-wingers like Mr. Anthony Wedgwood Benn and Mr. Eric Heffer agreed that everything must be done to find a form of words which would be acceptable to all elements

Despite this general wish to avoid clashes, there were some disagreements over sucb key issues as defence and industrial policy. But both sides seemed to hope that these could be smoothed over by careful drafting when the committee meets again tomorrow to finalise the document. The statement will then be put to the party's national executive.

The Left has a clear majority on the drafting committee—as it does on the party's executive—and Mr. Callaghan must have known that he would be outvoted if he tried to assert his views.

Labour anticipates large gains in local elections

LABOUR FRONT bencher Mr. Roy Hattersley today predicted the party would make substantial gains in next month's local elections in England and Scotland.

Forecasting that Labour would sweep the Tories from control in many authorities, the Environment Spokesman said the election gave voters the cbance to show their condemnation of the Government and its policies on local councils.

"That policy can he summed up in four words—pay more, get less," be said.

Since Mrs. Thatcher became Prime Minister, local government by-election results had seen Labour win 39 seats, hold 52 and lose none, said Mr. Hattersley.

On the basis of this, Labour anticipated taking control in Scotland of Glasgow, Aberdeen, Edinburgh, Kirkcaldy, West Lothian, Dunbarton, Strathkelvin, Cumbernauld, Renfrew, Inverclyde, Kilmarnock and possibly Dundee.

In English metropolitan districts, Labour expected to take control of Birmingham, Kirklees, Dudley, Bradford, Oldham, Rochdale, Bolton, Leeds, Walsall and Liverpool.

And in the English non-metropolitan districts, they expected victory in Cambridge, Chorley, Hartlepool, Amber Valley, Basildon, Blackburn, Crewe, Oxford, Swale, Thurrock, Worcester, and possibly Great Yarmouth.

HATTERSLEY: confident

Mr. Hattersley said Lahour would figbt on the national slogan: "Stop tbe Tory vandals—vote Labour."

The Shadow Minister said: "As Tory cuts hite deeper into social services, housing and education, as inflation rockets and mortgages, council rates and rents reach record levels, the party is confident that the Tory vandlas will be stopped in more than 30 local authorities."

He believed the message bad "now got abroad thst Conservative central Government policies, aided and abetted by Conservative councils have heen resulting in damage and destruction to essential services which ratepayers and voters want to preserve.

"The evidence suggests that the argument against public spending cuts is very much swinging our way."

Mr. Hattersley said Labour bad established in tbe minds of voters thst when rates went up it was the result of the Government's policies and not because of waste and extravagance by Labour councils.

The Clegg recommendations on teecbers pay had put town halls "in an intolerable position" with the Government imposing obligations wbich Ministers were not prepared to take on.

He accused the Government of seeking to allow local authorities to make a profit out of council housing which would then he used "to subsidise owner occupiers and other rate payers."

Mr. Frank Allaun, MP for Salford East, and a member of Labour's NEC local government committee said: "If people realise what is in store for them in the next 12 months, tbere will he a veritable rout of Tory councillors just a year but two days after the general election."

Motion to guillotine Housing Bill

THE GOVERNMENT confirmed yesterday that it is to speed through Parliament its controversial Bill to allow the sale of council houses.

Introducing a motion to guillotine further debate on the measure, Mr. Michael Hseltine, Environment Secretary, said the Housing Bill, a major plank of the Government's election manifesto, would have to complete its progress through both Houses by the summer recess to become law in the autumn.

The Housing Bill had been before a standing committee of the Commons for more than 10 weeks and MPs had already spent 110 bours examining it in detail, he said.

The timetable motion wonld hring the Bill back to the Commons from the committee by May 1.

Many people were anxious that proposals should come into force as soon as possible, Mr. Heseltine said.

"This bill is not just about the right to buy council bouses," he said. "It is important because lt gives new rights to those who remain council tenants; also to revive the private rented sector."

Trade union attitudes harden on strikers' benefits issue

BY RICHARD EVANS AND JOHN LLOYD

TRADE UNION leaders yesterday hardened their opposition to the Government's Employment Bill wben the TUC's Employment Policy and Organisation Committee proposed that unions should be advised not to increasa strike pay to compensate for the loss of benefits paid to strikers.

Members of the committee, which includes leaders from both the Left and Right, agraed that this migbt make strikes more bitter, but believe thst the Government must face the implications of its approach.

However, Conservative back-bench pressure to toughen the Bill still further by making strike ballots compulsory bas not won the support of the Prime Minister, who has given her support to Mr. James Prior, the Employment Secretary, in his rejection of the demands.

The move is unlikely to soften the ettitude of the trade unions, whose opposltion to the Bill has now become total. Left-wing members of the committee said last night that the loss of henefits to strikers meant that their members would be treated "worse than criminals."

The Committee has proposed to the General Council that all unions be advised not to raise the level of strike pay once the Bill becomes law. The feeling expressed by many members was that if strike pay was raised, the Government would take further advantage of the unions.

It also considered a more detailed account of how the Government proposed to finance ballots, and has bardened its opposition to using them. Members felt that the Goveroment would use the opportunity to oversee thelr halloting arrangements, rsther than merely pay for them.

Much of the meeting was conceroed with discussion on s paper prepared for the committee on an amendment to the Bill introduced earlier this month which would limit secondary industrial action.

The paper described the amendment as "far reaching and dangerous," and foresees that it migbt face unions with large damages ordered by the court, and that it could be used "to attack the legality of some kinds of primary action."

The Committee endorsed the paper, with members commenting that industrial action tended to be fluid and emotional, and that over-rigid limitations would result in a plethora of legal sctions and bltterness.

One moderate genaral secretary commented after the meeting: "If we had known at the beginning what we know now, we wouldn't have bothered talking to the Government at all."

The pressure for compulsory strike hallots, which is likely to lead to a Tory rebellion, will come to a head early next week during the Report Stage of the Employment Bill. This starts ln tbe Commons today with a debate on the Government's tougher proposals for outlawing secondary blacking.

Most pressure on Mr. Prior will come from a new clause tehled by Mr. John Browne (C., Winchester) and supported by over 100 backbencbers. This would compel trade unions to hold a strike ballot should 15 per cent of the workers or up to 5,000 members demand it.

Many supporters of the new clausa have been confident that they could force Mr. Prior to adopt their proposals, hut the indications lest night were that Mrs. Thatcher and a majority of the Cabinet still believe tbat any ballot should be voluntary rather than statutory.

They remember the precedent of the 1971 Industrial Relations Act and the union outrage caused by compulsion.

Another formula, disclosed in a new clause tabled last night by Mr. Michael Colvin (C. Bristol NW) would compel a trade nnion to bold a secret ballot, but lt places no compuslon on the union to take any action following the result of the ballot.

Mr. Colvin said yesterday that his new clause would permit rank and file trade unionists to take the initiative in making their views known but it would not lmpose the views expressed through the ballot on the trade union decision-making bodles, nor would it conflict with their constitutional arrangements.

Pressure to increase child benefit

By Elinor Goodman, Lobby Staff

PRESSURE IS building up on the Government to commit itself to inflation proofing child henefit in future. Unless Ministers are prepared to give a fairly firm indication, by next Wednesday, of their willingness to increase child benefit in line with personal tax allowances in future, they could face an embarrassin revolt among some of their own back-benchers.

Even with tbat assurance, s handful of Tories may use a voje on a Privata Member's Bill on social security next week to express their dissatisfaction with the 75p a week increase in cbild benefit announced in the Budget.

But the signs are that attempts by the Conservative Whips to persuade some of the so-called "wats" of the futility of making half-bearted protest gestures is beginning to pay off. Some of the 30 or so Tory MPs who were involved in the child benefit lobby before the Budget would much prefer it if the Chancellor would come np with some commitment shout the future rate of child benefit whicb they could claim was a victory for their campaign.

The House will almost certainly beve an opportunity to vote on the whole question of child benefit next Wednesday.

Easing the burden on the NCB

THE GOVERNMENT will publish its plans for easing the financial burden on the National Coal Board tomorrow. Publication of the Coal Bill has been delayed this year partly because the Government did not want to be seen to be helping one nationalised industry over its financial problems at a time when it was insisting that it could not ease up on the steel industry's cash limits.

The Bill will get its second reading in two weeks time and will be on the statute book by the summer. It is nnlikely to meet much opposition from Labour.

The Bill will reileve tha board of beavy interest payments

Barlow decision 'regretted'

BY JOHN LLOYD

SIR KEITH JOSEPH, the Industry Secretary, told the House of Commons yesterday that be "greetly regretted" the decision by Sir William Barlow, the chairman of the Post Office, to resign later this year.

Sir Keith said thst Sir William knew that he wished him to take over as chairman of British Telecommunications wben legislation to split the Post Office into two autonomous corporations passes through the Commons towards the end of 1980.

Sir William had indicated to Sir Keith that he wanted to laeve the Post Office, to return to private industry, before Easter. Sir William bad been chairman of Ransome Hoffman Pollard, the ball bearing group, before his appointment to the Post Office in November, 1977.

The Industry Secretary said that he "respected and admired" Sir William's record at the corporation. "His deperture will be a loss to the public sector," be said.

In a separate statement, Sir William denled reports that there had been a row between himself and Ministers over postal or telecommunications prices.

"I cannot repeat too strongly that there has been no specific incidents leading to my decision, which was carefully considered over a period of time.

"It is simply that hsving completed planning work for the separation of the postal and telecommunications businesses this summer, it is a convenient time for me to announce my return to the private sector. The Government, in fact, tried to persuede me to stay and accept the appointment as chairman of British Telecommunications.

While Sir William has stressed that there has been no one specific caus ebehind his decision to leave two years before his five-year contract period ends, it is clear that there have been large differences of opinion between the corporation and the present Government.

Sir William is known to have been annoyed by persistent sniping from Government quarters on the Post Office's performance, and to have opposed the strict limits which the Government has set on Post Office borrowing, especially for its growing telecommunications business.

At the same time, he has not enjoyed the constant publicity which tends to be the fate of the Post Office chairman, especially in periods of trouble in the postal service.

Technical Page

EDITED BY ARTHUR BENNETT AND TED SCHOETERS

● DATA PROCESSING

Written words and drawings remembered

FOUNDED TWO years ago with financial assistance from Norton Warburg Investments to exploit an invention of Dr. John Gordon of Hatfield Polytechnic, Image Dats of Bristol has now come to the marketplace with its first major product — a written data input tablet in which anything bandprinted or drawn on a sheet of A4 paper placed on the tsblet will bc remembered by the associated computer and sbown on a screen.

Basis of the device is a large square printed circuit hoard capable of accepting A4 paper vertically or horizontsily. On the surface of the board is printed a grid of 512 x 512 fine conductor lines spaced by only 0.5 mm. To write, a special pen is used which has a tiny magnetic field generator at its very tip, switched on by a microswitcb as soon as the stylus toucbes the paper. A normal ballpoint also makes visible marks.

As the pen moves over the paper the minute field "dot" is always sensed by the nearest grid line intersection, yielding a constant flow of x-y coordinates.

By touching a control area "button" to the side of the writing area with the pen, the tablet will sccept handprinted block capitals which can be written either on blank paper or on a form or some otber specially formatted document. As characters are recognised they are displayed on a crt screen and stored directly in a host computer or in off-line storage.

A poorly written character makes a warning "bleep" sound, althougb it is claimed that the machine can recognise a very wide range of handprinting styles. However, if a relative newcomer to the tablet has difficulty with a particular cbaracter, an alpba board is provided at each side and it is only necessary to touch tha character in question.

Frequently the tablet would be ose where a written source document has to be raised; but if this is not the case the alpha board could be used if desired.

By touching another control "button" the tablet acts as a digitiser. Designs or drawings can be made by tracing with the pen on paper while the results appear on the screen and can be stored.

Also provided in the control area is a numerie keyboard similar to a simple calculator. Thus, when filling up forms or pre-formatted documents any incidental calculations thst arise can be performed and the result will appear on the screen for insertion on the source document.

All these functions are duplicated to left and right of the screen ,for right- or left-banded people or simple locational convenience.

There are also ten user-specific keys that can be pre-programmed for particular functions, and a cursor control wbich is used in the graphics mode, to place annotations for example.

The company claims that this is the first tablet to operate at sucb a high definition on A4 size.

It also believes that a number of important data processing applicatioos are being held back in industry and commerce because some senior people are reluctsnt to use a VDU on the basis that tbey are being turned into machine operators. A high specification tablet such as this is thought to be the answer.

Image Data Products, 1, Portland Square, Bristol BS2 8RR (0272 40248).

GEOFFREY CHARLISH

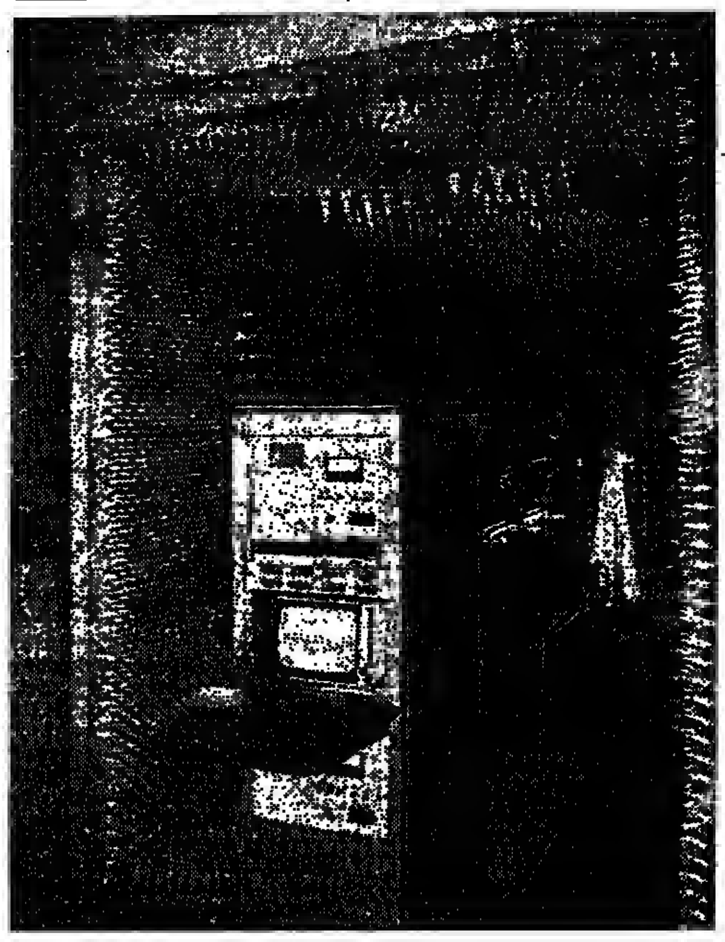
On line to Ireland

ULSTER BANK, part of the National Westminster Group, over the next three or four years will create a complete on-line data processing network linking 240 brancbes north and south of the border to central mainframe systems.

Burroughs is to supply the equipment which will be centred around two dual B2930 medium scale machines, one in Belfast and the other in Dublin. Peripherals loclude 1100 line/min printers, magnetic tape units, fixed disc aod reader sorters.

Branches will be equipped with the recently announced B91 equipment functioning as a terminal working into the remote mainframes. Each will be iostalled with 128 kilobytes of processor memory and six megabytes of mini-disc storage.

The terminals, designed in Scotland, will with additional keyboards be used for back office work such as data collection and preparatioo, inquiries, and reports from the mainframe.



This anechoic chamber for calibrating power flux density monitors such as microwave leakage meters has been set up at the National Physical Laboratory, Teddington. The use of microwaves in a growing number of industrial and domestic devices has, says NPL, "provoked scientific and public concern over safe operation and tolerable exposure levels." In the UK, codes of practice drawn up by the British Standards Institution and the Health and Safety Executive recommend a maximum safe exposure level of 100 watts per square metre from 30 MHz upwards. But the need arises to be able to make reliable readings and so NPL is now to offer a service of calibration and testing of microwave power meters. This will enable manufacturers and users of microwave equipment to have their exposure monitors calibrated against reliable and internationally traceable standards

● MATERIALS

Smooths the hip joints

VITALLIUM IS a special alloy developed for its superior wear qualities and biocompatability whicb is only one good reason for its application in medical implants of hip joints.

The metal incorporates cobalt, chromium and molybdenum—making it extremely bard—but it is particularly difficult to machine. Howmedica International at Shannon makes hip joints and has overcome the demanding task of both rough and finish grinding of its high precision range with the use of resinoid bonded cup wheels from Universal Grinding Wheel Company, Doxey Road, Stafford (0785 3281).

The resinoid cup wbeels whicb bave proved successful for Howmedica's purpose bave a medium size grit (150) and are said to give excellent metal removal, combined with high accuracy.

Prior to each grinding operation, the grinding wheel is dressed internally using a single point diamond in a Diaform pantographic dressing attachment, and the outside diameter of the wbeel is also dressed to eliminate any eccentricity.

Wheel speeds vary from 17,000 rpm (for the smallest wbeels) to 12,000 rpm for larger sizes, and the cycle is automatically controlled, using electronic gauging, the grinding time averaging about six minutes per unit.

Grinding wheels are dressed exactly to size for each one of the 30 or so different sizes of ball joints made by Howmedica and, following grinding, each ball joint is inspected to ensure that the total sphericity is within five microns. Finally, the ball joints are polished to a high lustre finisb.

Finisbed products are shipped all over the world for joint replacement, primarily for sufferers of rbeumatoid arthritis.

No holes in the roof

AN ALUMINIUM roofing system — Aluform FD — that eliminates the need for fixing boles and thus reduces the risk of rain water leaks has been introduced by VAW, of 161 Kingston Road, New Malden, Surrey.

Fixing boles are often the weak point of roofing systems because of their tendency to elongate during the expansion and contraction of the metal which occurs with temperature changes. It is at these points that leaks tend to occur

VAW says it has overcome the fixing problems by incorporating a patented system of clip fasteners into which the sheets are pusbed whilst they are laid. The sheets interlock and are subsequently linked together with a small power tool.

The system bas been designed on a 400 mm modular basis and incorporates a variety of special fixings including roof lights. The aluminium sheets can be laid in almost any length.

Study of markets for sealants

TWO REPORTS providing detailed descriptions of tha mode of nse of various types of sealants in the UK and West Germany and of the kinds of sealants chosen in major applications, etc., bave been produced by Industrial Aids, 14 Bnckingbam Palace Road, London SW1 (01-828 5036).

Total current demand for all types of putties, mastics and sealants in both countries is estimated at 50-60,000 tonnes a year, but the sophisticated polymer-based sealants, such as polysulphides and silicones, are in use much more in West Germany than in the UK. West German consumption of such sealants is about 21,850 tonnes, valued at np to £67m compared with only about 7,600 tonnes, valued at £19.6m in the UK.

By contrast, consumption of the cheap linseed oil-based putties and oleoresinous mastics in about 34,000 tounes a year in the UK, but only about 20,000 tonnes in West Germany.

The reports are callad: "Depth Study of the UK Sealants Industry," and "Depth Study of the West German Sealants Industry," and cost £600 each but may be purchased together for £1,100.

● INSTRUMENTS

Gas detection unit

DIGIFLAM 850 is the latest gas detection unit from Neotronics and it has a sensing range from one to 99 per cent lower explosive limit (LEL), the results appearing on a digital display.

Audible and visual alarms can be set at any percentage level set by the user and the calibration is pre-settable for different flammable gases.

A switch gives the user the option of continuous analysis with direct and continuous LEL readings, or automatic pulse operation for multi-shift monitoring. In this mode, battery life and long term sensor stability are increased. The instruments built-in memory is updated at each sensing pulse and a reading is produced on demand. Any alarms are given at the end of each sensing pulse, or immediately if hazardous conditions occur in continuous sensing mode.

A hand aspirator with three metres of sampling tube allows extraction of samples from ducts and other confined areas.

More from the company at Parsonage Road, Takely, Bishop's Stortford, Herts CM22 6PU (0279 870182).

● HANDLING

Gets the grit away

ONE OF the nastier jobs in a coal-fired boiler installation in factories, bospitals and so on is that of removing the contents of the grit bopper as it fills up from the flue grit arrestor.

Devised by Macawber Engineering is an air-operated system that allows the grit to remain untouched by hand, in effect pumping it either to a waster bopper, extraction conveyors or even back to the boilers for re-combustion.

The grit is allowed to fall into a vessel through a dome valve connected to the underside of the arrestor bopper. After a predetermined time the valve closes, air is introdnced under pressure and the collected plug of grit is evacuated down standard mild steel pipework. The dome valve at the top of the vessel is able to cut through abrasive solids to form an effective seal.

Electronic timing operates the system at intervals from one to 35 minutes according to the installation—boilers of evaporation rates up to 30,000 lb/hour can be accommodated. The 20 cfm of air needed can be obtained from e small compressor if there is no main.

More from the company at Ogden Road, Doncaster, South Yorkshire DN2 4SQ (0302 20521).

● ENVIRONMENT

Blends with surroundings

COOLING TOWERS can now be provided in any colour to blend with surrounding buildings, says Watermiser, Tower Works, Stoneygate Road, Newmilns, Ayrshire, Scotland (0560 20762).

Mada in one piece, the self-coloured sbell needs no painting inside or out and is laminated in beavy duty reinforced glass fibre making it corrosion-proof even in the most aggressive atmospberes.

Engineers do not have to climb to the top of the towers to carry out maintenance duties as is the procedure with conventionally designed models — a wide panel at the base of each unit allowa easy access for internal inspection.

To further facilitate servicing the forced draught, direct driven fans are located at low level. Other benefits include two pass chevron type eliminators, which are 99.95 per cent efficient in rednting mist carry over (BS requires only 99.2 per cent). Watermiser towers are available with heat rejection rates np to 148,809 k.cal/hour.

● SERVICES

Free advice on robots

FINANCE TO enable the Production Engineering Research Association (PERA) to operate a robot advisory service on behalf of the Department of Industry is to be provided by the Mechanical Engineering and Machine Tools Requirements Board. Tha service will be available to companies in all industries, and the financial support is to be pbased over a period of three years.

As part of the service, a demoostration ceotre is being establisbed at PERA for robots and pick-and-place devices. Two robots have already been contribnted by one manufacturer and further robots are being installed.

Visits will be made to companies, free of charge, to help management decide if there is justification for installing suitable equipment.

Further information can be obtained from the Manager, Robots and Work-Handling Department, PERA, Melton Mowbray, Leicestershire, LE13 0PB (0664-4133 extension 317).

● STORAGE

Keeping it cool in the corner

SHOULD A container or semi-trailer be carrying a mixture of perishable and non-perishable goods, only part of it may require refrigeration, which could be a problem. However, a temporary cold area can be created with the use of an inflatable partition developed by Avon Industrial Polymers (Melksham), Chippenham, Wiltshire (0249 56241).

The curtain is portable and easily assembled — it weighs only 40 lbs and can be installed by one man in a matter of minutes by using either a foot-pump or air-line.

The company also announces a major expansion of its flexible fabrications division at Chippenham with the extension of another 41,000 square feet to the original 46,000 square feet factory. This new area will house the division's various lightweight fabrications, such as the container curtain, a range of naval and commercial dry diving suits, and aircraft jet engine intake plugs.

● ELECTRONICS

Versatile power unit

VIRTUALLY ANY electronic circuit/system power supply requirement can be met, claims Gould Electronic Power Supply Division, by its new Hiflex system in which, by the use of a variety of input and output modules, over 1800 variations can be offered from a single package measuring only 8 x 5 x 11 inches (203 x 127 x 279 mm).

Hiflex is based on a fan cooled input unit available in 400, 600 and 750 watt sizes which is combined with a selection of up to six independent output modules. The units are assembled to customers' requirements and the number of variations available, together with the modular construction, means that even the most demanding multi-output specifications "become standard products" claims Gould.

هكذا من الأجمل

MANUFACTURERS HANOVER TRUST COMPANY

seek experienced

LOAN ADMINISTRATION STAFF

Due to expansion, we have vacancies for a number of staff, experienced in syndicated and direct loan administration who will be required to work in our City Office. Applications are invited from those with experience in handling loan documentation, drawdowns, rollovers, rate fixings, etc. Successful candidates will probably be in their mid-twenties, have a good education and have had some success in the Institute of Bankers examinations.

A competitive salary will be paid and our staff benefits include a non-contributory pension scheme, luncheon facilities, interest free season ticket loans, BUPA, low-rate personal loans and mortgages, and profit sharing.

Interested applicants should send a detailed curriculum vitae including current remuneration to:

Mrs. B. A. Wright
Deputy Manager, Personnel
Manufacturers Hanover Trust Company
P.O. Box 562, 7 Princes Street
London EC2P 2LR

MANAGING DIRECTOR

ACROW ENGINEERS

One of the world leaders in the manufacture of formwork, falsework and scaffolding requires a new Managing Director, following the retirement of the present M.D.

A unique opportunity presents itself to join one of Britain's most progressive companies.

The successful applicant, probably in the age group 35/50, will have considerable experience in the construction equipment industry and will be fully responsible for the running of the company, which includes a 45-acre factory in Essex, with research and development facilities, plus 19 sales and hire branches in the UK as well as an active export division.

Replies to: **W. A. de Vigier, Chairman**
Acrow Ltd, 8 South Wharf Road, London W2 1PB

Company Accountant Belgium

HIGSON PING

Salary c. £15,000 + Motor car and benefits.

A highly successful and rapidly expanding British Company (manufacturers of electric motor laminations) seeks a Fluent French Speaker to head the Financial department of their new, ultra-modern Belgian plant.

This is an excellent opportunity for an accountant (ACA, ACCA, ACMA or ACIS) not long qualified but with management flair to start a commercial career abroad in a subsidiary company which has most exciting growth prospects within its parent Group.

Please contact Susan Horsfall for an application form quoting reference P769AA.

Higson Ping Ltd./Executive Recruitment Consultants.
110 Jermyn Street, London SW1Y 6HB.
Telephone: 01-930 4196 (24 hour answering service).

Investment Administration

A chance to use your skills in a progressive environment

Our client is an established and expanding insurance company, based in the City. They now require an exceptional man or woman to set up and be responsible for an investment administration section which will deal with the day-to-day supervision and recording of the Company's investment transactions.

This is an opportunity to be involved in the creation of new systems appropriate to the needs of a progressive company making full use of modern techniques.

Previous experience in this type of work is essential and the successful applicant will probably at present be working in the investment department of an insurance company, pension fund, investment trust or unit trust.

The position could involve direct responsibility for short-term money market dealings and procedures, so some knowledge of this would be advantageous, as would familiarity with United States investment practice.

Salary is negotiable and will not be an obstacle for the right candidate.

Applications giving full details of career to date and present remuneration are invited from people in the age range 30-45 and will be treated in the strictest confidence.

Please apply to Position Number ASI 7713, Austin Knight Limited, London W1A 1DS. Applications are forwarded to the client concerned therefore companies in which you are not interested should be listed in a covering letter to the Position Number Supervisor.

WANTED!

LENDING OFFICER
£12-15,000 p.a. L1442

LIFE INSURANCE CO. ACCOUNTANT
£8-£9,500 p.a. L1460

CREDIT ANALYST WITH SPANISH/PORTUGESE
£8,000 p.a. (neg.) L 1441

SYSTEMS DIV. ACCOUNTANT WOKING
£7-£7,500 p.a. L1457

Call
Christopher D. Stock, FICB.,
Banking and Accountancy
Personnel Selection
01-481-8111

QS

BANKING RECRUITMENT CONSULTANTS

INTERNAL AUDITOR (to 32)
A.C.A., A.I.B. or A.C.W.A.
to £7,500

CREDIT ANALYST
to £7,500

FX SETTLEMENTS
to £6,000

EUROBOND SETTLEMENTS
to £6,000

LOANS ADMIN.
to £5,500

Please contact
Mike Pope 236 0731
30-31 Queen Street, London, EC4

BERMUDA

$26,000 p.a.

ACCOUNTANT

L1464 27/32 pref.

Our clients urgently require a number of Chartered Accountants to handle complete accounting function for group of managed companies. Excellent opportunities. In the first instance, please call:—

Christopher D. Stock, FICB,
Banking and Accountancy
Personnel Selection
01-481-8111

EUROBOND DEALER

£6,000 to £8,000

(increase under review)

A leading European Bank is urgently seeking a young dealer with 2 years' minimum experience of Secondary Market dealing FRNs and Straights in all currencies and a knowledge of Primary Market. An opportunity to work with a first-class dealer in an expanding situation.

LJC BANKING APPOINTMENTS
01-283-9953

U.S. REPRESENTATION

NEW YORK BANKER

European origin, available for representation in U.S. for overseas financial institution or investors. First-class references.

Reply to Box A.7121,
Financial Times,
10 Cannon Street, EC4P 4BY.

ACCOUNTANT—EUROPE

FCCA, experienced in managing, investigation, incorporation of companies as well as preparation of final accounts in Holland Belgium, France, seeks London-based appointment with a company having substantial European interests. Accustomed to extensive travel. Req. salary £15,000 p.a.

Write Box A7113, Financial Times,
10 Cannon Street, EC4P 4BY.

DIRECTOR AVAILABLE

Director and Chief Executive (40s) with impressive record in manufacturing and marketing products and services in UK and overseas is available to take up challenging appointment.

Please reply in strict confidence to:
Box A7112, Financial Times,
10 Cannon Street, EC4P 4BY.

ABU DHABI INVESTMENT AUTHORITY

FOREIGN EXCHANGE DEALER

The Abu Dhabi Investment Authority requires a Foreign Exchange Dealer to report to the Foreign Exchange Manager.

Applicants should have at least three years all round dealing experience at a senior level and must be prepared to spend two years or longer living in Abu Dhabi. Free accommodation, car or transport allowance and free medical facilities will be provided.

Salary is free of tax in Abu Dhabi.

Please write or telephone for an application form, quoting ref. 1043/FT to W. L. Tait,

Touche Ross & Co. Management Consultants
Hill House, 1 Little New Street, London EC4A 3TR.
Tel: 01-353 8011 ext. 3185

INTERNATIONAL AND MERCHANT BANKING

BANKING OPPORTUNITIES IN THE CITY

F.X. DEALERS
Age 23-27 £8,500-12,000
Major American Bank with substantial City presence, requires two mature, fully experienced Foreign Exchange Dealers to join one of the most respected dealing teams in London. Likely Candidates will have at least 18 months' experience of F.X. Dealing with a prime name, and should possess the balanced temperament to fit into an extremely active environment.
Phone Mark Stevens

CREDIT ANALYST
Age 25-27 c. £7,000
Leading International Bank seeks bright ambitious young banker to join expanding Credit Department at a senior level. At present, promotion to a marketing role is unlikely within the foreseeable future, but career prospects are excellent for industrious person with accountancy/credit background.
Phone Brian Durham

COMPANY SEC.
Age 24-30 £7,000
A prominent Merchant Bank in the City seeks a capable young person with experience of company secretarial duties and knowledge of trusteeship to assist the Company Secretarial Officer. Excellent prospects and full range of fringe benefits include 3% mortgage facility.
Phone Miriam Chance

SENIOR ACCOUNTS ASST.
Age 24-27 to £7,000
Major International Bank requires part qualified accountant with a broadly based accountancy background gained within a banking environment. The successful Candidate will take up a key position in the Banks Management accounts area where the duties will range from management reports to F.X./Sterling accounting.
Phone Trevor Williams

If your present job in banking does not seem to be developing along the right lines and you feel in need of sound, objective advice on current opportunities in the City, ring Banking Personnel now for an informal chat with one of our Consultants.

BANKING PERSONNEL
41/42 London Wall · London EC2 · Telephone: 01-588 0781
(RECRUITMENT CONSULTANTS)

COMPANY NOTICES

GENERAL MINING AND FINANCE CORPORATION LIMITED
(Incorporated in the Republic of South Africa)

NOTICE TO MEMBERS
ANNUAL GENERAL MEETING

NOTICE IS HEREBY GIVEN that the eightieth annual general meeting of members of General Mining and Finance Corporation Limited will be held in the board room, 6 Hollard Street, Johannesburg, on Thursday, 8 May 1980, at 09h45 for the following purposes:

1. To receive and consider the annual financial statements for the year ended 31 December 1979.
2. To elect directors in accordance with the provisions of the company's articles of association.

A member entitled to attend and vote at the meeting may appoint a proxy or proxies to attend, speak and vote in his stead. Such proxy need not be a member of the company. Instruments appointing a proxy must be deposited at the registered office of the company in Johannesburg or the London Office at least forty-eight hours before the time of the meeting.

Holders of preference shares may attend the meeting but may not vote.

Holders of share warrants to bearer who wish to attend or be represented at the meeting may obtain information regarding the formalities to be complied with on application to the London office of the company.

By Order of the Board,
R. A. WILSON,
Group Secretary.

Registered Office:
General Mining Building,
6 Hollard Street,
Johannesburg 2001.
London Office:
Princes House,
95 Gresham Street,
London EC2V 7EN.
15 April 1980.

PROVIDENT LIFE ASSOCIATION OF LONDON LIMITED

3.5% (Formerly 5% gross) CUMULATIVE PREFERENCE SHARES OF £5 EACH

NOTICE IS HEREBY GIVEN that the Dividend for the six months ending 30th June, 1980 of 8.75p per share, will be payable on 1st July, 1980.

REGISTERED SHAREHOLDERS

The Dividend will be payable to the Registered Shareholders whose names appear in the Register of Members at the close of business on the 2nd June, 1980.

SHARE WARRANTS TO BEARER

The coupons to be presented in respect of the above Dividends are numbered 192. They must be lodged for examination at Barclays Bank Limited, City Office, 170 Fenchurch Street, London, E.C.3, at least five clear days prior to payment.

By Order of the Board
J. D. FOX, Secretary

286 Bishopsgate,
London, EC2M 4QP.
16th April, 1980.

PROVIDENT LIFE ASSOCIATION OF LONDON LIMITED

ORDINARY SHARES

NOTICE IS HEREBY GIVEN that the Directors have recommended a final Dividend for 1979 of 5.6p per share, payable on the 2nd June, 1980 upon the Ordinary Shares of the Company.

REGISTERED SHAREHOLDERS

The Dividend will be payable to the Registered Shareholders whose names appear in the Register of Members at the close of business on the 9th May, 1980.

SHARE WARRANTS TO BEARER

The coupons to be presented in respect of the above Dividend are numbered 19. They must be lodged for examination at Barclays Bank Limited, City Office, 170 Fenchurch Street, London, E.C.3, at least five clear days prior to payment.

By Order of the Board
J. D. FOX, Secretary

16th April, 1980.
London, EC2M 4QP.
286 Bishopsgate.

NOTEHOLDERS OF BANQUE SUDAMERIS
FLOATING RATE NOTES DUE 1987

BANQUE SUDAMERIS

Registered Office:
4, rue Meyerbeer 75009 PARIS FRANCE
R.C. Paris B 542 056 544 A.P.E. 8902

APPOINTMENT OF THE REPRESENTATIVES OF THE MASSE

Pursuant to the provisions of French Law and the terms of the Notes, notice is hereby given to the holders of Banque Sudameris Floating Rate Notes due 1987 that the reconvened meeting of the General Assembly of Noteholders, held on March 24th, 1980, at 3.15 p.m., Paris time, at the registered office of Banque Sudameris, 4, rue Meyerbeer, 75009 PARIS, France, has approved the appointment of the following Representatives of the Masse:

Roger BODIN, 35, avenue de Sainte-Mandé 75012 PARIS, France
Jean FLEURET-LAYBAYLE, 4, Square Léon Blum 92800
PUTEAUX, France

to serve as such Representatives for so long as any of the Notes remain outstanding, and has conferred upon each of the Representatives such powers as are conferred by applicable French Law, subject to the "Terms and Conditions of the Notes."

The minutes of the Meeting of the General Assembly of the Noteholders and related documents are filed at the registered office of Banque Sudameris and are available for inspection by Noteholders.

Representatives of the Masse
Roger BODIN
Jean FLEURET-LABAYLE

ANNOUNCEMENTS

ABERLOUR-GLENLIVET DISTILLERY CO. LTD., have pleasure in announcing the appointment of A. R. WILSON (AGENCIES) LTD., 9a Woodside Terrace, Glasgow G3 7UY. Telephone No. 041-332 2568/8, as Agents for the sale of new fillings of Aberlour Glenlivet Speyside Highland Malt. All future enquiries should be addressed to them.

TRAVEL

GENEVA, Basle, Zurich and Berne, widest choice of cheap flights from 4 U.K. airports. Brochure. FALCON. 01-351 2191.

INTERNATIONAL DEPOSITARY RECEIPTS RREPRESENTING SHARES PAR VALUE $2.50 COMMON STOCK
J. P. MORGAN & CO. INCORPORATED

A cash distribution of $0.70 per Depositary Share will be payable on and after the 21st April, 1980, upon presentation of Coupon No. 38 at:
Morgan Guaranty Trust Company of New York, 30 West Broadway, (Corporate Trust Department), New York.
35 Avenue des Arts, Brussels
Morgan House, 1 Angel Court, London.
82 Frankrijklei, Antwerp.
at the designated rate, less applicable taxes.

This distribution is in respect of the regular quarterly dividend payable on the common shares P.V. $2.50 J. P. Morgan & Company Incorporated on the 14th April, 1980.

PUBLIC NOTICES

ST. HELENS BOROUGH COUNCIL BILLS issued 15th April, 1980, £2.5m Bills at 16[illegible]% due 15th July, 1980. Applications £13.5m. Total outstanding £4.0m.

ROTHERHAM METROPOLITAN BOROUGH COUNCIL
£1,000,000 bills issued on 16.4.80 at 16[illegible]% to mature 16.7.80. Total applications were £9,500,000 and there are £3,000,000 bills outstanding.

NEWBURY DISTRICT COUNCIL
£730,000 Bills issued 14.4.80 at 16[illegible]% to mature 14.7.80. Total applications were £3,600,000 and these are the only bills outstanding.

GRIMSBY BOROUGH
£400,000 Bills issued on 16.4.80 at 16[illegible]% to mature 16.7.80. Total applications were £3,600,000 and these are the only Bills outstanding.

CITY OF DUNDEE DISTRICT COUNCIL
£1,300,000 bills issued on 16.4.80 at 15[illegible]% to mature 15.10.80. Total applications were £8,800,000 and these are the only bills outstanding.

BATH CITY COUNCIL
£325,000 bills issued on 16.4.80 at 16[illegible]% to mature 16.7.80. Total applications were £2,925,000 and these are the only bills outstanding.

HERTSMERE BOROUGH COUNCIL
£850,000 bills issued on 16.4.80 at 16[illegible]% to mature 16.7.80. Total applications were £7,650,000 and these are the only bills outstanding.

SOUTH YORKSHIRE COUNTY COUNCIL
£3,000,000 bills issued on 16.4.80 at 16[illegible]% to mature 16.7.80. Total applications were £[illegible],000,000 and these are the only bills outstanding.

PERUSAHAAN UMUM LISTRIK NEGARA

AGENCY OF THE MINISTRY OF MINES AND ENERGY OF THE GOVERNMENT OF THE REPUBLIC OF INDONESIA

Invitation to bid

Tenders for the Ash and Dust Handling Plant Contract for the new 2 x 400 MW Suralaya Steam Power Plant near the town of Merak in West Java will be received on or before 10.00 Hours on 19 August 1980, for public opening at 11.00 Hours at the Head Office of Perusahaan Umum Listrik Negara, Jalan Trunojoyo Blok M1/135, Kebayoran Baru, Jakarta, Indonesia.

The Ash and Dust Handling Plant Contract comprises the design, manufacture, supply, erection and commissioning of plant to handle 500,000 tonnes per annum of ash and dust at the power plant and to the disposal area.

Beginning 18 May 1980 the Tender Document may be examined and upon payment of the non refundable amount of US Dollar 300 can be obtained at the following address:

PERUSAHAAN UMUM LISTRIK NEGARA
DIRECTORATE OF PLANNING
JALAN TRUNOJOYO BLOK M1/135
KEBAYORAN BARU, JAKARTA
INDONESIA

To qualify for award, tenderers must have designed, manufactured, erected and commissioned a minimum of two ash and dust handling plants of equal or greater capacity than that specified during the preceding ten years each of which shall have been in continuous successful commercial operation for a minimum of three years.

Tenders will be received from qualified suppliers or their authorised representatives. The foreign currency portion of the works shall be financed under a buyer credit agreement and every tender shall be supported by a related offer of finance. The Rupiah portion of the works will be financed from the state budget of the Government of the Republic of Indonesia.

Perusahaan Umum Listrik Negara reserves the right to reject any or all Tenders and to waive minor irregularities and informalities.

JAKARTA, 17 APRIL, 1980.
PERUSAHAAN UMUM LISTRIK NEGARA

APPOINTMENTS

Thomas Cook Group deputy chairman

Mr. M. G. Wilcox has been appointed deputy chairman of the THOMAS COOK GROUP and continues in his executive position as a director and chief general manager of Midland Bank.

★

Mr. Keith Bates has been appointed managing director of RICE TRAILERS, the equestrian transport subsidiary of Dunlop. He succeeds Mr. Raymond Rice, who has retired.

★

Mr. J. N. Maltby has been appointed to the board of the BURMAH OIL COMPANY. He will offer himself for re-election at the annual meeting on June 6, and will take over as director—oil from Mr. M. J. Roberts, who retires from the company on that date.

★

Mr. Kevin Brady has joined GRIEVESON GRANT AND CO., stockbrockers, as their analyst specialising in shipping and overseas traders sectors.

★

Mr. Martin Moss has been appointed managing director of SIMPSON (PICCADILLY) from May 1. He formerly held that position until December 31, 1973, when he joined May Department Stores International Inc. of the U.S. and was chairman and chief executive officer.

★

Dr. Tony M. Ridley until recently managing director of the Hong Kong Mass Transit Railway Corporation, has been appointed joint managing director of HALCROW FOX AND ASSOCIATES. Mr. J. O. Tresidder continues as joint managing director. Dr. Ridley will also act as consultant to Sir William Halcrow and Partners.

★

Lord Renwick is to relinquish his partnership with W. GREENWELL AND COMPANY, stockbrokers, from May 16 to devote more time to his outsida interests. He will remain a member of the Stock Exchange and associated with the firm. Subject to the consent of the Council of the Stock Exchange, Mr. A. L. Bucknall, Mr. M. S. Jaskel, Mr. P. B. Lilley and Mr. A. J. E. O'Sullivan will become partners on May 17.

★

Mr. Ademar de Albuquerque has become general manager of BANCO DO BRASIL London office. He was at one time manager at the London branch and prior to his present appointment was regional director for the Asia and Pacific area.

★

Mr. Richard G. Dyson, who was deputy charman of Barclays Bank International from 1968 to 1976, will retire as a director of BARCLAYS BANK after the annual meeting on May 8.

★

Mr. Harry Day, who became a director of the LAW LAND COMPANY in 1965 when he was chairman of the Crusader Insurance Company, has retired.

★

Mr. Mark Konig and Mr. Tony Vincent have been appointed to the board of MARANELLO CONCESSIONAIRES.

★

Mr. Tony Williams has been appointed UK operations director of COMMERCIAL CATERING COMPANY, a member of the Grand Metropolitan group.

★

Mr. V. G. West has been appointed deputy manager of the ROYAL NATIONAL PENSION FUND FOR NURSES.

★

Mr. Albert Angel has been appointed managing director of MERCK SHARP AND DOHME. He is also a vice-president of Merck Sharp and Dohme (Europe) Inc.

★

Mr. Richard J. Stanes has been appointed managing director of the M. L. DOXFORD GROUP.

★

Mr. W. Foy, head of the gilt department of stockbrokers BUCKMASTER AND MOORE, has joined the partnership. Mr. J. M. A. Shemilt has resigned as a partner to devote more time to his other private business interests.

★

Sandelson and Co., stockbrokers, is to change its name to BONE FITZGERALD AND CO. on May 12. Subject to the consent of the Council of the Stock Exchange, the following will be appointed directors of the company on that date: Mr. Stephen M. Bright, Mr. Paul A. Greenslade, Mr. Andrew J. Oliver, Mr. Paul T. Sotiriou and Mr. Alistair R. White.

★

Mr. Alasdair Gillies has been appointed managing director of JOHN WILLMOTT CONSTRUCTION, a member of the John Willmott Group.

★

Mr. Martin Truscott has been appointed managing director of HOTELPLAN. Mr. Hugh Henry has become chief executive and general manager of Swans and will remain a director of Hotelplan. Mr. Truscott was previously with RPA Management.

★

Mr. W. Campbell Allan of Gartmore Investment, a subsidiary of British and Commonwealth Shipping Company, has been appointed chairman of GODSELL AND CO and Mr. D. B. Buik, Mr. J. A. Pullen and Mr. P. E. Trenier have joined the board of that concern.

★

Mr. John E. Fitzgerald, vice-president, has joined the FIDELITY BANK, London branch, as business development officer for Eastern and Western Europe.

★

Mr. John Barber has been appointed deputy chairman, and Mr. Anthony Good continues as chairman of COX AND KINGS (HOLDINGS) on its acquisition by Grindlays Bank. Mr. Barber is former finance director of the Ford Motor Company and deputy chairman of British Leyland and is now a director of a number of companies. Mr. Good is also chairman of the Good Relations Group and a director of Subaru (UK).

★

Mr. Cyril Gutteridge has been appointed director (technical services), Mr. M. J. Garrett special director (technical services) and Mr. G. D. Morley special director and group financial accountant of Ductile Sales. Mr. W. J. S. Downes has become works director of Tipper Bros. (Tubes). Both companies are members of DUCTILE STEELS.

★

Mr. David Brown has been appointed financial controller, with the status of assistant general manager, of WORLD-WIDE ASSURANCE COMPANY. Mr. John Greenhalgh has become manager of the company's actuarial department.

★

Mr. Brian Heggie, financial director of British Industrial Plastics, is to retire because of ill-health. He will be succeeded by Mr. Peter Farrell, who is financial director of Newalls Insulation Company. Mr. Dudley Barker, at present with Storey Brothers, has been appointed finance director of Newalls Insulation from August 1. The parent concern is TURNER AND NEWALL.

★

Mr. Ian C. Johnson has been appointed a director of RUBEROID BUILDING PRODUCTS, a member of the Ruberoid group. He was previously associate director exports.

THE MARKETING SCENE

BY MICHAEL THOMPSON-NOEL

So far, the advertising business is enjoying another good year, which is where the plot thickens

Has British industry changed its spots?

HAS BRITISH industry committed its own private U-turn? Is it about to break with tradition and demonstrate that the best way to face a recession is head on—that when times are tough and markets have gone sour, one of the worst things to do is to tread on the brakes?

It is difficult to say. But the evidence is growing that British manufacturers are in good mental trim for this recession. They are in a mean frame of mind, and keeping clear of the ropes. It seems that the lessons of the past six years have been taken to heart—that managements now appreciate that panic raids on the marketing budget are not the soft options they appear, and that one of the surest ways to surrender hard-won sales and share-of-market is to bring the marketing effort shudderingly to a halt.

Good company

The best way to illustrate this is to look at what is happening to advertising, where at present there are some strange goings-on. According to most forecasters at the start of the year, let alone text-book descriptions of the relationship between cyclical movements of advertising and those of the economy as a whole, 1980 was supposed to be a poor year for advertising.

Contracting markets and falling profit levels, it was boldly proclaimed, would at once hit advertising budgets, so that after the first quarter there would be pronounced falls in real levels of expenditure lasting well into the first half of next year and dispelling the boom-like conditions in which advertising has basked since late-1976.

Not for the first time, the faculty of forecasters has got a bloodied nose. Contrary to all assembled wisdom, the advertising business seems likely to enjoy another good year, so that even at the Advertising Association they are sounding almost optimistic.

This is not to say that advertising will not suffer some sort of relapse. In 1979, total UK media expenditure was approximately £2.07bn, compared with £1.834bn the previous year. But for the ITV strike last autumn, 1979 would have produced a fourth successive year of real advertising growth. As it was, there was a strike-induced fall in real advertising expenditure in 1979 of approximately 1.5 per cent.

By all that's right, at least with the forecasters, the travails of 1980 were expected to produce a much more serious fall in real advertising expenditure this year of anything from 5 to 12 per cent. (For ease, this projection assumes that the ITV strike did not happen, so as to restore the artificially depressed total for 1979 to a more coherent level.)

However, the signs now are that in real terms, the 1980 ad spend could approach that of 1977, the second best year, apart from 1978, since the peak of 1973-74.

This is where the plot thickens, for at face value, British advertisers are behaving out of character. They appear to be digging in their heels—to be saying, in effect, that in defiance of the recession that is generally expected, they will try and market themselves out of trouble, at least to the extent that they will hold their advertising budgets firm against all but the sternest corporate pressures.

What evidence is there for this? First, it must be stressed that there are numerous factors at work helping to obscure the true position. The first quarter of the current year produced near-record levels of expenditure in historic terms, but much of that was due to carry-over from the ITV strike. Second, importers are still spending heavily, although as the Battle for Britain develops, they can expect increasing retaliation from UK manufacturers after the manner of BL's £2m Buy British campaign last month. Third, the rates of sectoral growth are showing wide variations.

Nonetheless, there is a body of opinion to support the view that British manufacturers have indeed changed their spots and come to regard advertising as neither an indulgence nor an entertainment but a genuine investment.

At McCann-Erickson, chairman Ann Burdus refers to the "remarkable stability" of the advertising scene at present. "We've all been waiting for the shoe to drop, and haven't heard a sound." At Saatchi and Saatchi, Maurice Saatchi says: "Prospects, as far ahead as one can see, are good. One must be cautious about economic prospects for the second half, and a slow-down is inevitable.

Left to right: Maurice Saatchi of Saatchi and Saatchi: "Prospects, as far ahead as one can see, are good." Ann Burdus, chairman of McCann-Erickson: waiting for the shoe to fall. Jeremy Bullmore, chairman of J .Walter Thompson: "Manufacturers are acknowledging the financial impact of advertising in a way not seen since the war."

But in general, the view is really gaining ground that advertising will be a key to maintaining sales and market share in the face of this recession."

At Lintas, chairman Tim Denehy says clients will face problems in terms of labour costs, energy costs, raw materials costs and increasing pressure by retailers, but he still sounds optimistic.

Less paranoid

Lintas is primarily a consumer goods agency, but has a fair sprinkling of service accounts. Clients include Batchelors, Birds Eye, Lever Brothers, Ford, Van den Berghs and Bowater Scott, as well as Air France and the Daily Telegraph. It does all Unilever's TV buying.

"Everyone had expected a sudden slackening by the end of April, but there are no real signs," says Mr. Denehy. "The next six months? Clients whose financial year is also a calendar year could face a really big crunch in the last quarter. We are seeing money being held back in the last half of the year by 11 clients. It will only be released if there are big changes for the good.

"The majority of marketing managements are of course firmly committed to the notion of advertising; it's just that many of them have learnt recently to be less paranoid when examining one year against the next."

One man convinced that a profound change of heart has occurred among advertisers is Jeremy Bullmore, chairman of J. Walter Thompson.

"I have nothing other than instinct to guide me," he says, "but virtually everything I see and hear seems to indicate that the lessons of the past few years—reinforced by the self-inflicted absence of television advertising last autumn—has confirmed traditional advertisers in their view about the *value* of advertising. They have come to acknowledge its impact on their own bottom lines in a way not seen since the war.

"It is not true for all advertisers, but whereas five or six years ago it was the brand manager or marketing manager who preached the value of advertising, the message has now reached chief executives and finance directors. As a result, I believe that the pressure from above to cut advertising budgets indiscriminately in the coming recession will be far weaker than hitherto."

The media themselves stress that although business is buoyant, they are living virtually hand to mouth. Brian Downing, marketing director at Mirror Group Newspapers, says that although business is better than there had been a small increase could have been envisaged at the turn of the year, it is virtually impossible to peer past May. "My hunch is that total advertising expenditure this year will show a gain of 10 to 12 per cent, which won't be so hot when measured against inflation. At some point the tap will go off, but I have no idea when."

Further tentative evidence of a change of heart by advertisers came in last week's Marketing Week business trends survey conducted by Davidson Pearce, which indicated that UK marketing budgets this year were likely to grow significantly as a proportion of companies' turnover. Thirty-one per cent of the companies polled said there were big real-term increases in their advertising budgets this year; a further 26 per cent said

Forecasts

If British advertisers really have undergone a change of heart, they are in very good company. According to Robert Coen, a senior vice-president at McCann Erickson in New York, figures for last year show that total U.S. advertising expenditure rose 13.3 per cent to virtually $50bn.

"The performance of 1979 now makes it clear that the role of advertising in industry has changed significantly in the last few years," he claims.

In the 10 years prior to 1975, he says, U.S. advertising growth was sluggish, simply because a combination of events—Vietnam, the Nixon wage and price controls and the deep and extended recession that began in late 1973—had more of an impact on advertising than on the U.S. economy as a whole.

"The impact of these pressures had run their course by mid-1975. As the economy began to expand in 1976, the climate in the ad industry rapidly improved. A flood of held-back new product introductions was released, and advertising competition began to reappear. Established products were forced to respond with heightened advertising-to-sales ratios as competition for expanding consumer markets grew . . . The industry may not experience an exceptional boom in 1980, but relative to the floundering economy it will probably turn out to be a fair year at least."

What happens in the U.S. is not bound to happen here. But if there has indeed been a shift in the way British manufacturers view advertising specifically and marketing in general, if they are prepared to roll up their sleeves and pitch into the fight, the economy might be in for a less bone-shaking ride than is generally predicted.

Bates buys FSD, Procter survives

TED BATES, fifth largest agency group worldwide, has bought Fletcher Shelton Delaney, the £7.2m-billing London agency. Bates has expanded rapidly over the last two years.

FSD will retain full management independence. Talks started on January 14. The purchase is being made by a newly-formed UK holding company whose directors are Mike English, Ian Spear and Robert E. Jacoby. A new management team is being formed at Bates' London office. Mr. English is relinquishing the chairmanship to Roy Beaumont.

Meantime, Gordon Procter and Partners, which called in a receiver last week, has been taken under the wing of Foote Cone and Belding. A new company has been formed to handle some £5m worth of Procter business.

Chairman Gordon Procter has joined Interlink, part of Lopex. Procter's is laying off staff, and may have to sell its new Covent Garden premises to help meet debts of more than £300,000. Root cause of the trouble was last autumn's ITV strike and the Dunbee-Combex-Marx collapse.

JOBS COLUMN; APPOINTMENTS

Pacific headhunt • Broker's research head

BY MICHAEL DIXON

"THINK of the Pacific," said headhunter Brian Hoggett.

"Very big, the Pacific," I replied.

"True," he conceded. "Well, somewhere in that area an Australian group has a big trading subsidiary with a turnover of £100m and 5,000 employees, of whom 350 are expatriate managers from Britain and the U.S. as well as Australia. It bas divisions for retailing, wholesaling, motor vehicle distribution, shipping, land transport, and small manufactures including soft drinks and some engineering products."

After a pause for hreath, he added: "That subsidiary is in need of a chief executive aod a second in commaod, and I thought that the right sort of people might he lurking somewhere in the Joh's Column readersbip."

"What are th esalaries?" I inquired.

"At least £50,000 for the chief, and £30,000 upwards for the number two, who'll bave the title of generations operations maoager. Local iocome tax is arouod 20 per ceot. But there will he bonuses as well, snd expatriate henefits including free accommodatioo, cars and so so forth."

"That's the sort of talk that interests the readers," I said. "Coold you tell me more, please? And he did.

The chief's responsibility will be the overall development snd direction of the subsidiary's business, which will put a premium on ability to deal diplomatically with high-ranking Ministers and officials of nationa in the relatively early stagea of independence. But practised skill in dealing politically in foreign countries, while an advantage, is neither essential nor enough.

Candidates for this post must bave been successful in running a large business operation embracing either a range of different products and services, or numerous trading centres in various different places.

The general operations manager will be directly resposible to the chief for the day-to-day control of all the subsidiary's activities, working through the heads of the several divisions, almost all of whom are expatriate managers.

Candidates for the second-in-command's joh must definitely have experience of working overseas, and bave a record of success in aenior-level management of a variegated business.

The age range for both johs is 40-plus to the mid-50s. "Ideally, I'd like the applicaots not only to be mature, experienced lesders, but also to look it," said Brian Hoggett.

"Greyiug hair, fearless eyes, and a hint of humour in the decisive set of the mouth?," I asked.

"That's it," he confirmed, and added that Englah was the only essential language.

Inquiries to him at Hoggett Bowers and Partners, Minerva House, 29 East Parade, Leeds LS1 5RX; telepbone 0532 448661, telex 55293 Cbscom G.

Equity prospect

ABOUT £30,000, a partnership with a major stockbroker in the City of London, and prospects of an equity abare are being offered through recruitment consultant Bill Gill of Merton Associates for a new head for the broker'a research department.

The prime need is for someone who knows what kind of research is wanted by the Investment managers of banks, insurance companies and other institutions. Because although the department is well estabIisbed with about 14 analysts and special expertness on Midlands induatry in general and eogineering in particular, the recruit wil be respotisible for working out and putting into effect a new strategy.

"There's a tendency for research put out hy brokers to be rather acsdemic," I was told. "That may bave heen all right when conditions weren't so competitive. But it won't do nowadays —not if the ohject is to prod husy investment managers into ringing up your institutional sales force and giving them some business.

"So the emphasis will be on producing work that's immediately useful to investment managers, and presenting it so they'll see it as snch. Relevance, topicality and accuracy are the qualities that come to mind, and we want someone with a reputstion for research thta combines all three."

In acquiring the desired reputatioo in the City, candidates must also have gained experience of managing a researcb operation and of dealiog directly with the top executives of hig institutions. Age could be anywhere between the early 30s and the mid-50s.

Inquiries to Air Vice-Marshal Gill at Merton House, 70 Grafton Way, London W1P 5LN; telephone 01-388 2051, telex 8953742. "Absolute confidentiality" is guaranteed to those inquiring, not only because the employer may not be named, but because the City, if not paved with gold, is walled with ears.

Apprentice MD

NOW to consultant Gino Rican of Graduate Appointments, who is seeking someone ahle to earn over the next couple of yesrs or so the managing directorship of a company manufacturing a range of inks for offset printing. (Mr. Rican may not name it, and so he guarantees to abide by any applicant's request not to he identified to the employer until permission is given.)

From the start, however, the recruit will take charge of the day-to-day running of the business, being directly responsible to the present MD for the efficiency of its manufacturing, technical work, sales and marketing, training, and financial operations. As chairman of an executive Board including the beads of the relevant departments, the new second-in-command will also be responsible for advising the main Board on future policy. The base is the Midlands.

The specification calls particularly for successful experience in the management of a manufacturing concern, including responsibility for budgetary control. Familiarity with the use of mini or micro computers would be a distinct advantage. But candidstes must also be used to working in a marketing-minded company, becauae the newcomer will arrive at the start of a three-year programme intended to expand sales hoth in the United Kingdom and overseas. I gather that the present managing director will certainly not be prepared to hand over bis job until the company bas much improved on its present ranking—in terma of turnover and profit, ahout egihth among some 28 printing-ink manufacturers in the UK. The preferred age is mid-30s to early 40s.

The salary indicator is up to £20,000, bnt I susepct that figure could be stretched upwards by a candidate who is clearly worth more. Perks are for negotiation.

Mr. Rican—who adds, somewbst enigmatically, that although a "good sense of humour" si not a strict requirement for the job, it would definitely help—can be conatcted st 7, Princes Street, London, W1R 7RB, telephone 01-629 7262.

Product manager

A NUMERATE graduate aged up to 30 and with at least three years in the marketing of fast moving consumer goods, is wanted by Johnson and Johnson at Slough. Working in the buisness development group concerned with prodncts other than those for babycare, hte recruit will at first be responsible for the marketing of two major hrands. Dnties will include the development of established and new franchises.

The salary indicator is £9,500, plus bonus; car among perks. Inquiries to John Hume, the "manpower resourcing manager." at 260, Bsth Road, Slough, Berks., SL1 4EA.

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Your experience to date need not necessarily be in fast moving consumer goods, but some exposure to US management styles and reporting techniques would certainly be preferable and ideally within a large, multibusiness environment.

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3—FINANCIAL ACCOUNTANT, BERMUDA

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A growing independent-minded, entrepreneurial manufacturing group, ultimately owned by a public holding company, seek their first financial controller. This appointment is an essential part of the 1980/81 marketing and expansion plan. Company locations are near London.

Reporting to the Group Managing Director he or she is to become responsible for the entire group financial function. This particularly includes management accounting, project analysis, as well as budgeting.

Applicants are expected to be graduate chartered accountants aged over 28. Those at present with leading firms must be able to demonstrate flexibility, enthusiasm and commercial intelligence appropriate to a small, fast moving group of companies. Some knowledge of US or EEC accounting procedures might be an advantage, but is not essential.

Salary is negotiable from £13,500pa and should not normally be a limiting factor. Normal fringe benefits include a car. Re-location expenses may be paid if appropriate.

Please telephone or write, in confidence, for an application form quoting reference 1601.

Roland Orr
Management Consultant
35 Piccadilly, London W1V 9PB. Telephone: 01-734 7282.

EURO-TRADERS

The London Trading department of a leading international market maker is seeking two experienced traders with past histories of positioning securities in the South African gold share and/or Eurobond markets. These highly responsible and challenging positions offer rewards commensurate with performance.

Please write, in strictest confidence, enclosing curriculum vitae, to Box A.7116, Financial Times, 10 Cannon Street, EC4P 4BY.

STOCKBROKING VACANCIES

1. OVERSEAS SETTLEMENT CLERKS to £6,500+bonus
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5. CONTRACTS CLERK to £5,500+bonus
6. VALUATION CLERK to £4,500+bonus
7. "O" LEVEL TRAINEES to £3,000+bonus

LYNN BRACKLEY on 623 0101
CAMBRIDGE APPOINTMENTS RECRUITMENT AGENCY

Branch Manager

Finance — Reading

Our Company, a wholly owned subsidiary of William & Glyn's Bank Limited, provide instalment credit facilities for industry and commerce. We currently have a vacancy for a Manager in our Reading branch.

The successful candidate will not only ensure that current business levels are maintained but encourage and motivate the team into identifying and developing new business opportunities.

Applicants must have a sound background with management experience in instalment credit, particularly in respect of staff, budgetary control and target achievement.

The rewards for this challenging post are competitive salary, Company car, excellent pension scheme and other fringe benefits, including a mortgage subsidy scheme.

Apply by telephone to John Morley, Personnel Manager.

The Quadrangle,
Imperial Square, Cheltenham,
Gloucestershire GL50 1PZ.
Tel: 0242 36141.
A Member of
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CHIEF EXECUTIVE

Housing Association

London — £12-£15,000
Age 45-55 — Plus Benefits

The Association
A long established Charitable Housing Trust in West London with fixed assets of £20m and income of £1m is playing an increasingly significant role in the community.

The Position
Responsible for the overall direction of the Association, with an emphasis on the development of a positive management policy.

The Person
The successful candidate should have a proven record in a senior administrative or financial position, probably from a business or public service background.

Please apply in confidence to Ian Willis:

Ian Willis Associates Ltd.
110 Jermyn Street, London SW1Y 6HB, Tel: 01-839 7577/930 3209

IAN WILLIS ASSOCIATES LTD.
Executive Selection Consultants

Group Internal Auditor

This is an excellent opportunity for a young chartered accountant to join a successful and expanding international Group.

The appointment will involve responsibility for all aspects of international financial and operational auditing including evaluation of existing methods and the implementation of improvements.

The position will be based at tha Group's administrative offices in Burnley, Lancashire, but considerable travel throughout the U.K. and Europe will be involved.

The successful candidate is likely to be in the mid–late twenties with either good professional or previous internal audit experience. Knowledga of one or more European languages would be an advantage.

An attractive salary will be offered, together with the benefits associated with a major Group, including generous assistance with relocation. Prospects for future career development ara good.

Applications in confidence with full details of qualifications and experience to: Mr. A. W. Leitch, Finance Director, Tha Prestige Group Limited, PO Box 15, Colne Road, Burnley, Lancashire, BB11 2AB.

Prestige

Company Secretary/Financial Director (Designate) Blackburn

CLAYTON GOODFELLOW & CO. LTD., a precision medium to heavy engineering group, wish to appoint an experiencad qualified accountant to the position of Financial Director Designate.

The person appointed will be responsible for all the Group Accounting, Company Secretarial functions and financial control systems supported by an experienced accounting team.

Their responsibility will ba to the Managing Director and after a successful six to nine months period the candidate will be invited to join the Board.

Record of success and industrial experience, preferably in engineering, is essential, coupled with sound practical experience, in a senior position, of controlling and accounting for engineering contracts, financial and management systems.

The ability to work with colleagues is necessary, also the skill to analyse and summarize presentations to the Board.

The remuneration package includes an appropriately high salary, car, pension and life insurance schemes, B.U.P.A. membership and relocation expenses if appropriate.

Applications in writing to: The Chairman, Clayton Goodfellow & Co. Ltd., Atlas Works, Blackburn, BB2 3DL.

CLAYTON GOODFELLOW & CO LTD

F/X DEALERS

We are currently seeking to identify a number of suitably experienced dealers to maintain the following positions:

Snr. Forward Dealer(s) — c. £15000
For two major U.S. banks with significant growth plans.

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This progressive international bank seeks an allrounder, ideally late 20's, with strong spot/forward experience.

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A career opportunity with a European bank is now open to a young dealer, 24-27, with a minimum of 3 years' active trading.

Snr. Deposit Dealer — £14000 +
For a world-leader with a strong background in deposit dealing – ideal aga 28-35.

F/X Adviser — £11-£15000 neg
Prominent international bank requires an articulate dealer, 26-30, with experience of corporate f/x advisory activity.

F/X Dealer — £9/10000
For an active dealing room keen to recruit a young dealer of genuine potential with minimum 2 years' exchanga trading experience.

Contact Norman Philpot in confidence on 01-248 3812

NPA Recruitment Services Ltd
60 Cheapside London EC2 Telephone 01-248 3812 3 4 5

Director-International Business Development

c. £18,000 + bonus + car

Our client, part of a large British manufacturing group, wishes to appoint a Director to lead its growth outside tha UK.

The company occupies a specialist, highly profitable and growing niche in industrial consumables and serves a wide range of industries. Appreciable growth has been achieved outside the UK in recent years and the company wants to build on this platform and develop business overseas through its independent distribution network, through manufacture abroad where appropriate and through acquisitions. This is a new position and its holder will also be the Deputy Managing Director of the company and capable of promotion within three years.

To apply you should be aged 35-40 and almost certainly a graduate. An ideal career pattern will demonstrate sales management experience in specialist consumer or industrial consumable products, followed by success at general management level in a market orientated company. If this is backed by responsibility for subsidiary manufacturing businesses outside the UK and close involvement in, if not prime responsibility for, acquisitions —so much the better.

The ability to conduct business in other languages will be useful, especially Spanish and/or German. The person appointed will be prepared to travel abroad extensively, and the location is Northern England.

A profit related bonus schema plus a car and other fringe benefits form part of the remuneration package.

Ref: W4960/FT.

Replies will be forwarded direct, unopened and in confidence to the client unless addressed to our Security Manager listing companies to which they may not be sent. They should include comprehensive career details, not refer to previous correspondence with PA and quote the reference on the envelope.

PA Advertising
Hyde Park House, 60a Knightsbridge, London SW1X 7LE. Tel: 01-235 6060 Telex: 27874

PA

A member of PA International

Senior Manager for BP Coal

London Based

BP Coal Limited is looking for a senior experienced manager from the coal industry to lead or join their General Management team in London. Duties will involve management of the economic assessment and planning activity, co-ordination of the Company's worldwide production, exploration and project activities and financial administration. Experience of project and investment appraisal within the coal industry is essential.

The person we are looking for will have held a variety of both planning and operational posts at a senior level and should preferably have working experience in the coal industry in Australia, South Africa, U.S.A. or Canada. The requirements of the post will require considerable travel on relatively short visits overseas.

To meet the requirements of this demanding job, you will be expected to possess an academic qualification appropriate to the job requirements and at least 15 years' relevant post-graduate experience.

BP will offer an internationally competitive starting salary and other benefits including a car, non-contributory pension scheme and relocation expenses.

Please apply with full details of qualifications and experience to

The Manager, Central Recruitment,
The British Petroleum Company Limited,
Britannic House, Moor Lane, London EC2Y 9BU.

Senior Appointments

PARTNERSHIP

City — £15,000 neg.

Our clients, a very successful City firm, wish to recruit a Chartered Accountant with substantial and varied taxation and general practice experience. Working initially as a senior manager the appointee will look forward to salaried partnership within 18 months and equity participation thereafter.

For further, more detailed, information on this appointment contact Mark Lockett as advisor to the practice.

ACCOUNTANCY PERSONNEL SENIOR APPOINTMENTS
41 London Wall, London EC2M 5TB · 01-588 5105

Financial Manager

N. London — to £12,500

This appointment has arisen through reorganisation and promotion in the UK subsidiary of a multinational food group. In the US the corporation ranks highly in the Fortune 500 listings and has worldwide sales in excess of $2,500m. Turnover in Britain is over £50m and the profitability record is good.

The position carries varied responsibilities ranging from the management of a financial accounting team some 10 strong to the solving of many business problems including the development of new products and the investigation of potential acquisitions. It also involves regular contact with the US parent and the ability to meet the usual American reporting requirements.

Ideally the person appointed will be ★ a late 20's graduate qualified accountant ★ with at least 2 years' experience of US accounting ★ most probably in a consumer goods environment.

The remuneration package includes a subsidised staff restaurant and a discretionary bonus scheme.

This position is open to both men and women.

Please reply in confidence, quoting U862, giving concise personal, career and salary details to R.G. Billen – Executive Selection.

AYMS
Arthur Young Management Services
Rolls House, 7 Rolls Buildings
Fetter Lane, London EC4A 1NL.

Operations Manager

Bermuda

for a long established private company which has diverse, worldwide interests.

As a key part of the compact headquarters team, the appointed candidate will work closely with operating companies in the monitoring and development of their activities, and will undertake a range of administrative duties in addition to new venture appraisals.

Probably in their late 20's/early 30's, candidates must be graduates (preferably numerate discipline) or chartered accountants and will ideally have a business studies qualification. Their successful careers should extend over several organisational functions rather than a single specialism, and could well include group headquarters or management consultancy or money management experience.

Remuneration around $35,000 free of local tax.

Please write – in confidence – for a personal history form to G. E. Howard ref. B.1112-1.

MSL
United Kingdom Australia Belgium Canada
France Germany Holland Ireland Italy
New Zealand South Africa South America
Sweden Switzerland U.S.A.

Management Selection Limited
International Management Consultants
17 Stratton Street London W1X 6DB

FINANCIAL CONTROLLER

Surrey — c. £12,500 + car

A quoted property company wishes to appoint a Financial Controller who will also act as Company Secretary. Success in this appointment will quickly lead to a board appointment.

Reporting to tha Managing Director the Financial Controller will not only be responsibla for accounting both in the UK and abroad but will be expected to advise the Board on financial matters.

Candidates should be chartered accountants preferably in the age range 25-30. Relevant experience is essential and a period in a property company highly desirable. A working knowledge of French will be an asset but is not a prerequisite of tha appointment.

Applications quoting Ref FT/80/A and giving brief personal details and an outline career history should be sent in confidance to:—

E&W Ernst & Whinney Management Consultants
11 Doughty Street, London WC1N 2PL

Accounting Manager

Central London — *c. £11,000*

Our client, the UK subsidiary of a major US Corporation engaged in marketing and distributing its products io Europe, seeks an Accounting Manager for its expanding operations.

Reporting to the Controller, the successful candidate will be responsible for managing the financial and accounting functions including planning, forecasting, budgeting, management reports and information and taxation.

Opportunity exists for a lively, enthusiastic caodidate, to maka an impact with this compact team. Prefereoca will be given to qualified accountants, aged 28-35, with provan man management experieoce and with some exposure to DP systems and American reporting requirements.

Applicants, male or female, are invited to write for a persooal history form to:
Ken Johnson, Executive Selecrion Division,
Southwark Towers, 32 London Bridge Street,
Loodoo SE1 9SY, quoting refereoce MCS/3832.

Price Waterhouse Associates

Group Financial Director

A London based property and construction group operating worldwide with a turnover of about £100 million, requires a Financial Director. As a member of the Group Management Committee, which is responsible for all group operations, he/she will be expected to contribute to and influence the plans for successful growth, in addition to accepting overall responsibility for the group financial function.

The Financial Director will be a qualified accountant, preferably a graduate, will have experience of the construction industry, property investment and development, and will have the ability and flair to weld the diverse financial operations within the group.

Applications are invited from successful financial executives aged 35/45, with extensive corporate finance experience, who are prepared for a demanding role in an expanding group. Remuneration will be negotiable.

Please contact, in confidence, Brian Luxton quoting reference 6496.

mh Mervyn Hughes Group
2/3 Cursitor Street, London EC4A 1NE
Management Recruitment Consultants
01-404 5801

CJA RECRUITMENT CONSULTANTS
35 New Broad Street, London EC2M 1NH
Tel: 01-588 3588 or 01-588 3576
Telex No. 887374

A challenging appointment — scope to become Financial Manager in 2 years or to move into another senior position in the UK or Europe

ALPS

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CENTRAL LONDON **£8,600 - £10,000**

EXPANDING U.K. SUBSIDIARY - T/O £40 MILLION - OF SUBSTANTIAL U.S. SHIPPING GROUP

Applications are invited from qualified, or part-qualified Accountants (A.C.A., A.C.M.A. or A.C.C.A.), aged 24-28, with a minimum of 18 months' practical experience of industrial/commercial accounting. Reporting to the Financial Manager, the successful candidate will be responsible for the general accounts function, systems implemenation, budgetary control, forecasting and the preparation and analysis of financial reports. Up to 10% away travel is expected. Essential qualities include a commercial outlook, an analytical mind and the ability to communicate effectively at a senior level. Initial salary negotiable £8,600-£10,000, contributory pension scheme, free life assurance, assistance with removal expenses if necessary. Applications in strict confidence, under reference MA 021/FT, to the Managing Director.

ACCOUNTANCY & LEGAL PROFESSIONS SELECTION LIMITED, 35 NEW BROAD STREET, LONDON EC2M 1NH
TELEPHONE: 01-588 3588 or 01-588 3576. TELEX: 887374.

APPOINTMENTS ADVERTISING

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SENIOR FINANCIAL ACCOUNTANT

CITY **£11,000 + P.A.**

Due to expansion of its activities, The Financial Times Group wishes to make a senior appointment to strengthen its accounting function.

A senior Financial Accountant is required, reporting to the Chief Accountant, to assist in all aspects of financial accounting, including the introdnction of modern data processing info all areas of the Group's accounting systems and to be responsible for their subsequent management and control.

There will also be specific involvement lo the operation of the sales accounting function, the preparation of annual accounts end other related assignments concerned with the development of accounting procedures.

Candidates for this positioo should be qualified eccountants, aged aronnd 30, with good EDP and, ideally, relevant publishing experince and should heve the personal qualities necessary to take an active role in manegement. Please telephooe for an application form on 236-9758 or write with full career details to:—

PERSONNEL DEPARTMENT
FINANCIAL TIMES
BRACKEN HOUSE
10 CANNON STREET
LONDON EC4P 4BY

FINANCIAL TIMES
EUROPE'S BUSINESS NEWSPAPER

Funding Manager

Salary £10,371-£11,334
(subject to review)

Welsh Development Agency

The Agency has extensive holdings of industrial property and sites and is undertaking a large scale programme of site development and factory building. To complement the funds that it draws from the exchequer and to help maintain factory expenditure in Wales, the agency is seeking the support of private sector sources. This new post will play an essential role in this activity.

Private sector support is being sought in two ways. The agency will be disposing of some of its existing sites and factories to encourage private development and to raise finance for its own factory building. It is seeking also to involve the private sector as partners in new development.

Applicants should have wide relevant experience and hold an appropriate qualification. A thorough knowledge will be essential of the funding of property development, of the appraisal of schemes and of the marketing of assets.

Salary will be on a scale now under review from £10,371 to £11,334 according to experience. There is a contributory pension scheme and a car users allowance is paid. Generous assistance will be given towards relocation expenses.

Please write or telephone for an application form to be returned by 9th May 1980 to:

Personnel Department (Ref RG508FT), Welsh Development Agency, Treforest Industrial Estate, Pontypridd, Mid Glamorgan CF37 5UT
Telephone Treforest (044 385) 3571.

Assistant Manager *Banking*

c. £20,000 tax free

United Arab Emirates

Our client, a rapidly expanding locally incorporated Commercial Bank, now requires an Assistant Manager for its main branch in Abu Dhabi which has a lending portfolio of around £100 million.

Candidates, aged 28-40, will ideally be Associates of the Institute of Bankers and will have had formal credit training, possibly with an American bank. Some knowledge of the Middle East, or of working overseas, would clearly be an advantage.

The rewards are exceptional and will include a negotiable salary of around £20,000 tax free, car allowance, free married furnished accommodation, six weeks annual leave, air fares each year and free medical treatment.

Please write in confidence, initially with brief details, quoting reference 1015 to John Anderson, as Advisor to the company, at:

John Anderson & Associates
Norfolk House, Smallbrook Queensway, Birmingham B5 4LJ.

MANAGER BUDGET AND REPORTS - NIGERIA

The Commonwealth Development Corporation is an organisation actively engaged in the promotion, operation and management of wide-ranging commercial enterprises in the world's developing areas including major agricultural estates and small holder projects.

One of the projects for which the Corporation is providing management services is the Savannah Sugar Company at Numan in the Gongola State of Nigeria.

The Corporation now wishes to recruit a Manager, Budget and Reports who will report to the Financial Controller at the project. The duties of the post will include responsibility for the preparation of annual capital and operating budgets, the preparation of monthly cost accounts and comparative reporting against budget and job costing in all areas of the company.

This post calls for a candidate with initiative and constructive thinking who has the ability to achieve effective budget control at all levels.

Applicants are invited from qualified candidates with not less than 5 years commercial experience. Previous overseas experience would be helpful.

The overseas remuneration and benefits package is generous and competitive. Other benefits include a non-contributory pension scheme, BUPA membership and education assistance.

Applicants should write giving full personal particulars and details of qualifications and experience to:

Miss J. Powell,
Personnel Officer
(Overseas Recruitment),
33 Hill Street, London,
W1A 3AR quoting
Serial Number 2060/4.

CDC
Commonwealth Development Corporation

Hoggett Bowers
Executive Selection Consultants

BIRMINGHAM, CARDIFF, GLASGOW, LEEDS, LONDON, MANCHESTER, NEWCASTLE and SHEFFIELD

Public Relations Officer (Aerospace)

Midlands, c. £9,000+car+bonus

This is a newly created position within one of the major accessory manufecturers supplying the aircraft and defence industries. Raporting to tha Marketing Manager, tha successful applicant will be responsibla for creating the most beneficial environment for the Company's operation, through planned communications and by maintaining its image within the Industry. Candidates, aged 30-40, should possess a University degree, or equivalent, and be eble to demonstrate a successful record of Industrial Public Ralations. Ideally, this should hava been gained within the Aerospaca Industry, but applicants with e personal and knowledgeable interest of aircraft and thair manufacture will be considared. The generous remuneration package includes a share bonus scheme and relocation assistance is availabla where necessary.

R.R. Varley, Ref: 35112/FT. Male or femala candidates should telephona in confidence for a Personal History Form to: **BIRMINGHAM: 021-622 2961,** *Albany House, Hurst Street, B5 4BD.*

Investment Administration and Research

This is a new post in the pension fuod investment department of one of Britain's largest industrial groups. The department manages total current assets of £270m.

The post carries responsibility for the secretarial aspects of the investment management process, the administration of the department, and the basic measurement and analysis of investment performance.

Research will be directed at the improvement of investment management and performance measurement techniques. It will incorporate the investigation of rapidly developing knowledge and skills throughout the industry, and close liaison with industry experts and advisors.

The essential requirements are a degree or professional qualification in a numerate discipline; experience in busioess administration; and the capacity for complex research in a relatively new, high-growth and increasingly sophisticated industry. Age is flexible between 28-40.

Salary £10-12,000. Central London location.

Please write in strict confidence with full personal and career details, quoting ref. 737/FT, to:—

Philip Smith
Manpower Consultants
85-87 Jermyn Street, London SW1Y 6JD

GILT-EDGED ECONOMIST

A firm of

LONDON STOCKBROKERS

specialising in the gilt-edged market, requires a

SENIOR ECONOMIST

Candidates, ideally aged 27-35, must have a good economics degree and preferably hold a post-graduate qualification. The post calls for a sound knowledge of monetary economics and the U.K. financial system, while experience of the gilt-edged market would be an advantage.

Remuneration, by salary and bonus, will be competitive.

Applications, which will be treated in confidence, should contain relevant details of qualifications and career to date.

Please write to Box A.7177, Financial Times, 10 Cannon Street, EC4P 4BY.

Financial Controller

c £12,000 + car

Marriott In-Flite Services Limited, a rapidly expanding UK subsidiary of Marriott Corporation, one of the world's leading industrial catering organisations, wish to recruit a Financial Controller who will be located at the Company's UK Head Office at Heathrow.

The Financial Controller will report to the UK General Manager and functionally to the European Controller and be responsible for all aspects of the finance and accounting function for the Company.

The successful candidate will be a qualified accountant with at least five years post qualification experience in a responsible position preferably employing computerised systems.

This position provides an opportunity for promotion within the Corporation. A commencing salary of £12,000 is envisaged and a company car will be provided together with other benefits.

Candidates, male or female, can make application by quoting reference MCS/7008 and requesting a personal history form from Michael R. Andrews, Executiva Selection Division, Southwark Towers, 32 London Bridge Street, Loodon SE1 9SY.

Price Waterhouse
Associates

GROUP FINANCIAL CONTROLLER

Berkshire **c. £11,000 + car**

Our client is a large privately owned group of companies specialising in the fabrication, construction and world wida export of bridging, together with the sale and hire of non-mechanical plant to the construction industry. The Head Office is located at Twyford with manufacturing facilities in the North of Englend and in Wales.

The Group Financial Controller will report directly to the Chairman. Prime responsibilities are tha development end co-ordination of management accounts, the consolidation of statutory accounts end the maintenance of cash controls involving close liaison with the group's auditors on accounting and taxation matters.

Candidates must be qualified eccountants, in the ege ranga 28-35. Two to three years experience in e manufacturing industry is highly desirable. Tha prospects for career progression in this expanding group are excellent.

Application quoting ref FT/100/A giving brief personal details and an outline career history should be sent in confidence to: D W E Apps:—

E&W **Ernst & Whinney** Management Consultants
11 Doughty Street, London WC1N 2PL.

CAMPBELL NEILL & CO.

INVESTMENT ANALYST

An Analyst is required to join our Research Department. The successful epplicant should ideally be able to produce evidence of e thorough analytical training, supported by an ability to produce and market high quality work for institutional investors. A record featuring e sector specialisation would be particulerly suitable, and a professionel or academic qualification is preferred although this is not essential. Terms will be competitive in line with age and experience, and all applications will be treated in strictest confidence.

Initially, please write or telephone to the following, giving a brief outline of past career:

James C. Hardie,
MESSRS. CAMPBELL NEILL & CO.,
Stock Exchange House,
69 St. Georges Place,
Glasgow G2 1JN.
Tel: 041-248 6271

Treasury Operations Manager

Age 24-29

Middlesex c.£10,500

A young and ambitious accountant or graduate with a minimum of 2 years experience of foreign exchange operations is sought for this new position within the Finance Department of a major British Multinational.

The man or woman appointed will be responsible to the Group Finance Manager for the day to day administration of H.Q. treasury operations and in addition will be expected to be capable of making an immediate contribution to the establishment and future development of the Group's centralised F.X. exposure management programme.

This management appointment is seen by our client as a first class base on which to gain valuable experience in the treasury field.

Please write in confidence giving details of career to date and salaries earned, stating the name of any company to which your application should not be forwarded, to:

E.G. Phillips, Account Manager (Ref 538).

Whites

Whites Recruitment Limited
72 Fleet Street, London EC4Y 1JS
Offices: Bristol, Glasgow, Leeds, London, Manchester and Wolverhampton.

INTERNATIONAL FRENCH BANK

seeks

SENIOR ACCOUNT OFFICER

to service a group of existing customers and to assist in the Bank's marketing in the U.K. Must have a sound knowledge of banking, including finance of trade and foreign exchange. Should be well educated and have a flair for customer relationships. Previous marketing experience would be an advantage. The successful applicant could, if desired, be considered for an overseas post in due course.

SALARY NEGOTIABLE PLUS BENEFITS

Send c.v. to Box A.7119, Financial Times
10 Cannon Street, EC4P 4BY

NEWLY QUALIFIED

Brighton c£8000

The Accountant will be responsible for a variety of functions which will provide an excellent opportunity to further develop his or her commercial ability. Reporting to and working closely with the Financial Controller, he or she will prepare accounts and management information, cash and capital forecasts and will conduct re-budgeting exercises together with other ad hoc projects. This is a key position which requires initiative, adaptability and demands a positive contribution to the business.

Owned by Collins, Heinemann and Secker & Warburg, we are the UK's newest book club operation. As a fast growing company our aim is to use the most up-to-date business methods.

We are seeking a newly qualified ACMA to work in our new centrally located Brighton offices.

Please write to: Catriona Munro, Nationwide Book Service, 21-22 Old Steine, Brighton BN1U.

Nationwide Book Service

LAURIE, MILBANK & CO.

INTERNATIONAL ECONOMIST

Our recently formed International Department requires an Economist to assist in advising our Overseas Clients.

Ideally, candidates will be Graduates, aged between 24 and 35 and have a minimum of two years previous experience with a broking firm or a financial institution.

Salary is negotiable according to experience and qualifications. Please write giving full C.V. to:—

P. J. C. Ratcliffe,
Portland House,
72/73 Basinghall Street,
London EC2V 5DP.

A LEADING FIRM OF STOCKBROKERS ACTIVE IN INTERNATIONAL MARKETS REQUIRE

AUTHORISED CLERK

With a minimum of two years' house experience. The appointment will carry a competitive remuneration and there is a non-contributory pension and life assurance scheme. Please write giving age and full details of experience to Box A7120, Financial Times, 10 Cannon Street, EC4P 4BY.

STOCKBROKING

We require a bright young person to help our Associate Business to run smoothly. We are attached to a well established firm and have an expanding business but now require someone initially to help with our records and administrative back-up, but eventually to become more involved in advising our broadly based clientele. Ideally the successful applicant will have some experience of S.E. procedures plus potential business of his/her own.
We will consider anyone with initiative and enthusiasm and salary is by negotiation;

PHONE 01-377 7521

Finalists or newly qualified Accountants

Maidenhead-Berks

Over the past 20 years Black and Decker has achieved unrivalled leadership and market domination in its principle product areas in the D.I.Y. and industrial fields.

Tha Finance Function is a prime development area for future top management within the company and we are looking for men and women in their twenties who are studying or have passed a recognised accountancy qualification and can demonstrate the confidence to communicate with senior management and accept both responsibility and accountability.

Wa now wish to fill three specific vacancies:

Financial and Management Accountant

c.£10,000

Managing e staff of 5, you will be responsible for the production of all monthly and statutory accounts to very tight deadlines. Recent expansion has necessitated more complex financial accounting requirements with computerised systems being employed extensively.

Asset Controller

c.£8,500

Responsible for preparation of capital budgets and tha appraisal and subsequent control of capital projects using a newly introduced computer system.

Cash Manager

c.£7,500

Responsible for banking activities, fund flow, foreign exchange requirements and managing a staff of ten. Additionally you will be involved with the development of multi-lateral netting between subsidiaries and have responsibility for office services. Cash menagement or banking experience is more important than formal qualifications.

B&D Black & Decker

Please write giving career details including salary and job progression to: J. L. Waller, Black and Decker Limited, Cannon Lane, Maidenhead, Berks SL6 3PD. Tel: Littlewick Green (062 882) 2130.

Financial Accountant

Oil and Gas

As part of the French state owned oil compeny, Elf Aquitaine UK is responsible for the Group's financial, technical and operational interests on the UK Continental Shelf. This includes the management of existing exploration and production investments and revenues as well as participation in further exploration activities.

In addition to the analysis of joint venture reports and the control of all daily transactions, a significant part of the Financial Accountant's function will involve special projects, often innovatory end centering primarily eround the development of our computer-based accounting systems. These are derived directly from the French Accounting System ("The Plan Comptable").

A Chartered Accountant, you should ideally have some post qualification experience in the profession. You should have a thorough grasp of practical bookkeeping end en active interest in computer eccounting. Above all, you need to be able to contribute effort and ideas in this Interesting phase of the Department's development. And clearly, an 'O' level in French would be an asset.

You will receive an attractive salary and e wide range of benefits which reflect the competitive industry we ere in.

Please write or telephone for an application form to Hilary Jeanes, Personnel Assistant, Elf Aquitaine UK, Knightsbridge House, 197 Knightsbridge, London, SW7 1RZ.
Tel: 01-589 4588.

elf

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LOMBARD

Our future and the fund managers

BY ANTHONY HARRIS

IN THE week after Easter I raised the questien of how our future is likely to be determined if and when the Government bas achieved lts objective of eliminating the need to sell gilts, and inciidentally imposing a hoa-constrictor-like squeeze on corporate finances in the process. It looks as if at the end of the story both the need for "nutside" 6nance and the potential supply of it will be much greater; tbe market will allocate capital.

Decision makers

In theery this is exactly what the Government is aiming to achieve; but a market is not just an ahstract concept. It is a collection of people and organisatione, with characteristic bahaviour. The capital market consists overwhelmingly on the supply side of fund managers. For years now these people have orovided the capital to finance excessive Gevernment horrowing, and en top of that they have built up a helding of ahout three qnarters of UK equity capital, largely by buying out personal holders. These are the people who will take the suhstantive decisions about future investment.

Are they the right people? On the strength of a single cbart, I suggested that peshaps they are not. The chart showed simply thet they tend to buy overwhelmingly at the top ef the market. This suggests that on timing, at least, fund managers show little sign of the independent judgment and liking for risk which may he needed in the future.

This apparently simple-minded ebservatien has areused an interesting resoonee. One notable fact is that while a number of fund managers telephoned their hrokers to protest at being portrayed as mugs in these columns, not one of them sent a rejoinder to me. They left that to the brokers. The second notable fact is that some of the evidence offered for the defence actually reinforces the point I was trying to make.

The most striking example has been provided by Mr. Rohin Griffiths of Carr Sebag, who drew my attention to his researches on what he calls the equity demand residue (EDR)—the sum left over in lnstitutional hands after meeting the Government's funding requirements. As be shows, the turning points in the equity market have coincided with turning points in the EDR with remarkable reliability, though the actual acale of the swings on each side are not closely rleated.

Mr. Griffiths cenludes thet since fund managers ar enet in control of the size of the residue, it is unfair to hlame them for the results. The market goes up when they have cash to spend, and down when they haven't—or not enough casb, that is, to take up the sbares offered each year by personal holders. The correct conclusion, surely, is that fund managers are fairly passive creatures. They invest when the meney becomes available—and are encouraged to do so by the rise in values caused by everyene else behaving in the same way. I would only be impressed by tbe independent judgement of fund managers if the turning points in the curves did net coincide so neatly — if managers were readier te held back, or even to antiicpate.

Another defene offere dwas that fer part of the period fund anagers ere quite largely unit trust managers, whose own inflow reflected the judgement of privste investors. If tbey were mugs, they were mugs by proxy.

This raises an interesting point ahout unit trusts. Do unit-holders want simply to buy a basket of securities, or do they want to buy judgment on timing as well as share selection?

Playing safe

However, these details are really beside the point. The point is simply that our institutionalised market was not actually designed for the job it may now he called on to do. A pension fund manager is not in the business of taking risks; he is paid to play safe (and the safety performance itself is somewbat spoilt by bad timing). He is often allowed too little independence, and the pay rates in the industry do not suggest that the funds are hogging the hest talent.

Whether the problem will be solved hy changing the tax rules to reduce the role of the funds, or by the growth of investment trusts and the like to take the risky decision, or in some other way, I do not know; but I am still sure that there is a problem to be solved.

Holes in the European steel regulations

BUSINESS AND THE COURTS

BY A. H. HERMANN, Legal Correspondent

LEADING French and German steelmakers were found guilty of price-fixing and market sharing by the European Commission and were fined a total of £600,000 on April 2. The European Commission itself, of course, operates a huge quota and price-fixing cartel, started as tha Davignon Plan in 1977, but does not like it wben the steel companies try to improve on it by their own privste cartels. "Such illegitimate regulation of the market by producers who make their own rules is tantamount to usurpation of the Commission's powers," said the Commission in one of its Press releases.

Confirmed

These fines for over-pricing were preceded, on March 18, by the European Court's judgment* confirming, with only small adjustments of fines, a series of decisions where the Commission imposed fines on French, German and Italian companies for selling steel reinforcing rods for concrete under the price fixed by a general decision of the Commission of May 4, 1977, No. 962/77 ECSC.

Many people have views on the desirahility or otherwise of governmental or inter-governmental regulation of industry. Very few, however, have an opportunity of seeing how the European Commission performs its regulatory functions. The coal and steel industry is notoriously secretive. For this reason the appeal of the steelmakers provided the European Court with a unique opportunity of having a look at the reality of the coal and steel regulations, its real motives and its real effects. Desplta a 255-page judgment the court has merely scratched the surface, but even so the picture which emerges is that of grandiose measures, hadly thought out, largely ineffective and open to criticism of partiallty for certain hranches of the indnstry and of discrimination against others.

Nina Italian, two German, and one French company appealed to the court, the appeal being directed in the first lnstance against the validity of the general decision whicb fixed minimum prices for reinforcement rods. They claim that the decision was adopted unlswfully; that it was contrary to the objectives of the Treaty of Paris which formed the European Coal and Steel Community (ECSC), and that it was full of boles, so that it was only partially effective and had a widely different impact on various European steelmakers, helping some and threatenlng the existence of others.

The court was kind to the Commission, and said it could not do any better because it dld not have the power to make its measures really effective and fair. It approved the decision fixing minimum prices without answering the only pertinent question, namely whether the Commission should have attempted such a far-reaching project with the insufficient means at its disposal.

The power to fix prices which the Commission has, under Article 61 of the Treaty of Paris, can be applied only to steel producers and their own distributing subsidiaries. Tha Commission could also have extended the minimum prices to the independent traders undar Article 95, but had done so only after a lengthy delay so that for nine months the market was subject to two different sets of rules.

These independent traders usually keep stocks sufficient for two months' supplies, and in the initial period, therefore, were well able to sell old stock under the minimum price at which producers were supposed to supply. The independent traders control 85 per cent of the market, and, as the court established, the Commission failed to take into account that these traders would sell at least part of their stocks at lower prices.

The court did not accept as proven another highly plausible accusation. This was advanced by Maxhuette, one of the appellants, who argued that by leaving the trade free to trade at lower prices, the minimum price decision created a great advantage for large, vertically integrated enterprises controlling their own distribution network. These enterprises could secure a greater share of the market by selling to their subsidiaries at the minimum price, and allowing these subsidiaries to sell at a loss, to be compensated later from central funds. Such an assertion is ohviously difficult to prove.

Weapon

In general, however, the Commission admitted that the exemption of the trade from the obligation to observe minimum prices provided customers with a weapon which the producers found difficult to resist. For this reason the Commission made another decision, on December 28, 1977, which extended the regulation to the trade.

While the Commission could include the trade in the price regulation from the beginning, and did so after nine months, it had no power to regulate tha prices of imported steel, or at least feared to do so, lest community exports should be exposed to retaliatory measures. The Commission's defence was that it had no power to stop imports directly, and did adopt recommendations designed to make imports more difficult.

From this the court conclnded that the Commission had done all that it could in view of tha fact that the community exports more steel than its imports. It could try to restrict imports only insofar as this did not threaten exports, but the court admitted that in the end the unrestricted possibility to import at lower prices represented a gap in the price regulation.

The most serious accusation made hy the 12 steelmakers concerned the motives of the Commission. They insisted that the Commission fixed minimum prices under false pretences. It pretended that the aim of the regulation was to avoid destructive competition; in reality, said the appellants, the decision was made in order to protect the large steelmakers which were producing reinforcing rods at a loss, and to help them to retain their market share against the competition of the smaller enterprises which were able to operate in this market at a profit.

The Italian companies, operating in the region of Brescia, went as far as to say that the decision was, in fact, a retaliation by the Commission for the refusal of these efficient enterprises to follow the Commission's request that they should reduce their volume of prodnction voluntarily. The court, however, thought the different consequences for the small and medinm-sized enterprises on the one hand and for the large groups on tha other hand, were unavoidable and did not result from hostility towards particular enterprises.

Solidarity

The guiding principle of the Treaty of Paris, said the court, was solidarity of the indnstry. Individual enterprises had to accept sacrifices for the sake of all. Though it was possible that the gaps in the regulation had increased these sacrifices beyond those which were otherwise necessary, this did not change the court's opinion that the fixing of minimum prices was neither an excessive nor an unbearable intervention by the Commission.

The court did not explain why such grave shortcomings should not ha taken into account when reviewing the regulatory acts of the Commission.

*European Ceurt, Luxembourg Joint Cases 154, 205, 206, 226, 228, 263, 264/78 and 81, 33, 83 and 85/79 Judgment of March 18, 1980, unreported.

Another Thousand Guineas trial

RACING

BY DOMINIC WIGAN

BY ABOUT 3.45 pm today we well have a home-trained representative clear favourite for the One Thonsand Guineas. For 11 fillies, including Evita and Battlewind, will have been put tbrough tbeir paces in the Ladhroke Nell Gwynne Stakas.

It is difficult to know what to make of Ron Sheather's Battlewind. A daughter of Battle Princess (successful in just two of her 30 races), Battlewind's two juvenile efforts suggested that a modest maiden event might come here way this year but that little more could he hoped for. However, her recent display in Salisbury's One Thousand Guineas Trial has left her trainer and one or two uncommitted judges of the opinion that Group One success over the Rowley Mile is not beyond Battlewind.

Racing on heavy ground which, according to Sheather, "she hates," Battlewind spreadeagled her opponents in the closing stages of the Salisbury race, to win, going away, hy 8 lengths from Leave the Floor.

Evita, not considered as well forward as stable companion Saison, seems sure to go well, but in view of her anticipated odds Battlewind each way may he the answer.

There are few more intriguing propositions than a maiden ridden by Lester Piggott for his close friend and former rival Scoble Breasley, and many eyes will be on Varuna in the Rowiey Malden Stakes. Although Mr. Ravi Tikkoo's Luthier chestnut failed to ohlige in six attempts last season, he ran a number of promising races

Varuna will make his presence felt this afternoon, as will Soldier, a once-raced Sun Prince colt trained for Mrs. Mary Marshall by John Dunlop. This Arundel colt showed there is a race in prospect for him with an encouraging display on the July course. He is narrowly preferred to Piggott's mount.

Whatever his fate with the Breasly three-gear-old, Piggott is likely to have one winner, for Earmark (beaten only three lengths in the Cornwallis) is weighted to win the Ladbrokes Boldboy Sprint.

NEWMARKET
2.00—Swan Princess
2.30—Brave the Reef*
3.00—Earmark***
3.30—Battlewind
4.05—Pelerin**
4.35—Soldier

TV Radio

BBC 1

6.40-7.55 am Open University (uhf only). 12.45 pm Midday News. 1.00 Pebble Mill at One. 1.45 Mr. Benn and the Cook. 3.53 Regional News for England (except London). 3.55 Play School. 4.20 The All New Popeye Show. 4.40 Grabam's Gang. 5.05 John Craven's Newsround. 5.10 Blue Peter.

5.40 Evening News.
5.55 Nationwide (London and South-East).
6.20 Natienwide.
6.50 Young Musician of the Year: Flnals of wind and brass classes.
7.25 Top of the Pops.
8.05 Taxi: American comedy.
8.30 James Burke: The Real Thing.
9.00 Nine O'Clock News.
9.25 Play for Today: The Executioner by Lionel Goldstein.
10.45 Question Time with Jock Bruce-Gardyne.
11.40 News Headlines.
11.42 The Sky at Night.
12.10 am Weather / Regional News.

All Regionsl programmes as BBC 1 except as fellows:—

Cymru/Wales—5.55-6.20 pm Wales Today. 6.20 Heddiw. 12.10 am News and Weather for Wales.

Scotland—12.40-12.45 pm Scottish News. 5.55-6.20 Reporting Scotland. 10.45 Current Account. 11.15 All Clouds are Clocks. 12.00 am News and Weather for Scotland.

Northern Ireland—3.53-5.55 pm Northern Ireland News. 5.55 Scene Around Six. 12.10 am News and Weather for Northern Ireland.

England—5.55-6.20 pm Look East (Norwich); Look North (Leeds, Newcastle); Look Northwest (Manchester); Midlands Today (Birmingham); Nationwide (London and South East); Points West (Bristol); Sonth Today (Southampton); Spotligbt South West (Plymouth).

BBC 2

6.40-7.55 am Open University.
11.00 Play School.
4.50 pm Open University.
6.55 Now and Then.
7.20 Mid-Evening News.
7.30 Newsweek: Zimhahwe.
8.05 In The Making: Rohert Bates, landscape artist.
8.25 One Man and his Dog: Sheepdog Championship.
9.00 A Question of Guilt.
9.30 Man Alive: Gas from North Sea rigs.
10.20 Town . . . Tewn: Rugby league football.
11.30 Work and Leisure.

LONDON

9.30 am Haiti. 9.55 Spiderman. 10.15 Canada Five Portraits. 11.05 Beney. 11.55 The Bubblies. 12.00 pm Gammon and Spinach. 12.10 Stepping Stones. 12.30 The Sullivans. 1.00 News at One. 1.20 Thames News. 1.30 Together. 2.00 After Noon Plus. 2.25 Midweek Racing from Newmarket. 3.45 Looks Familiar witb Denie Norden, Stanley Holloway, Jessle Matthews and Arthur Schwertz. 4.15 Little House on the Pralrie. 5.15 Selwyn.

5.45 News.
6.00 Thames News.
6.25 Help.
6.35 Please Sir: starring John Alderton and Deryck Guyler.
8.30 TV Eye.
9.00 The Nesbitts are Coming.
9.30 Shelley.
10.00 News at Ten.
10.30 Thames Report: "The Casino War."
11.00 Lou Grant.
12.00 am What the Papers Say.
12.15 Close: Robert Rietty with readings for Passover.

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ANGLIA

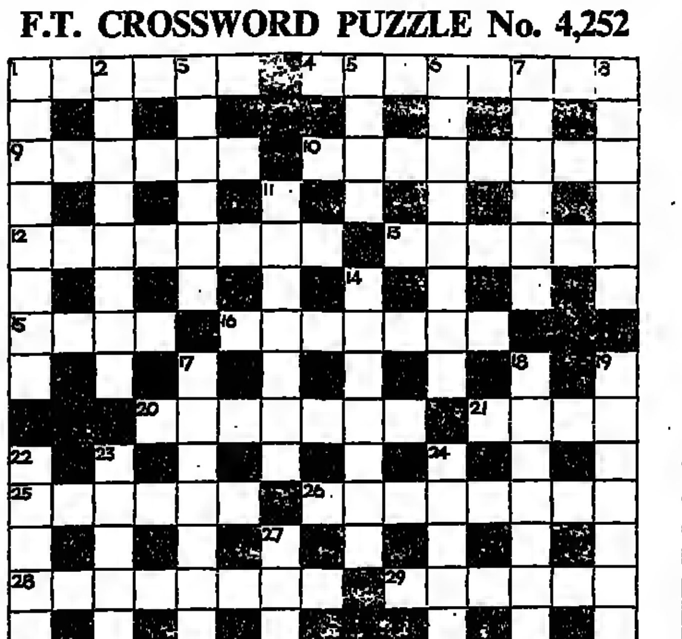
9.30 am Cardboard Cavalier. 11.05 Country Comes West. 11.30 The Electric Theatre Show. 1.25 pm Anglia News. 2.00 Houseparty. 4.15 The Bubblies. 4.25 Rocket Robin Hood. 4.45 The Next Week Show. 5.15 Emmerdale Farm. 5.00 About Anglia. 6.20 Arena. 5.35 Crossroads. 7.00 TV Movie: The Gun And The Pulpit. 10.30

12.10 pm Pfelemalam. 1.20-1.25 Panewdau Newyddion Y Dydd. 1.25-1.30 Report Wales Headlines. 4.45-5.15 Sêr. 5.15-5.20 Cartoontime. 6.00-6.15 Y Dydd. 6.15-6.30 Report Wales. 5.30-7.00 Sports Arena. 10.00-10.35 News followed by Report Wales Headlines. 10.35-11.05 The English Garden.

SCOTTISH

9.30 am Adventure World of Sir Edmund Hillary. 9.55 Sixty Incredible Years. 10.45 Lumberjack Games. 11.05

F.T. CROSSWORD PUZZLE No. 4,252



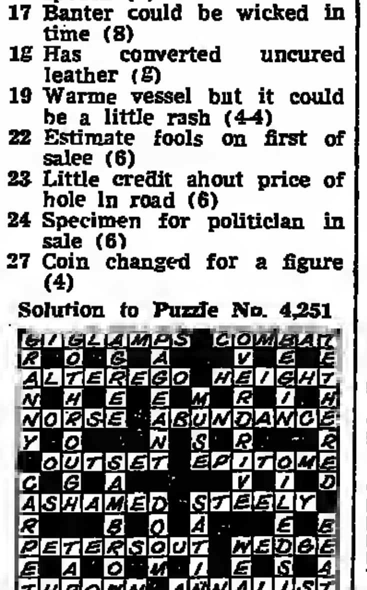
ACROSS

1 Soldiers in front of wood feel discontent (6)
4 Arguing about prohibition coming to an end (8)
9 Screened notice in outhouse (6)
10 Dad's fur that may bear inspection (8)
12 Coarse jesting to tease a learner out of water (8)
13 Rocky height to free from scorching (6)
15 Move slowly in church? (4)
16 I'd appear in game, that's obvious (7)
20 Grazing land beyond river (7)
21 Nothing in female footwear (4)
25 So road I had to follow is dirty (6)
26 Snail badly set about cargo (8)
28 Coming on stage to fill with delight (8)
29 Mounted part of castle for maintenance (6)
30 Cloth worker and NCO (8)
31 Money returned for curdler (6)

DOWN

1 Hold hack reserves to coach (8)
2 Engage defender in repeat performance (8)
3 Want the French to heckle (6)
5 Open a vessel (4)
6 Ignore a reduction in price (8)
7 Unusual orb in hotel, but it's natural (6)
8 Eagerly desirous for short edition bound in grey (6)
11 Importance of attraction (7)
14 Notice clothing used in speech (7)
17 Banter could be wicked in time (8)
18 Has converted uncured leather (8)
19 Warme vessel but it could be a little rash (4-4)
22 Estimate fools on first of salee (6)
23 Little credit ahout price of hole in road (6)
24 Specimen for politician in sale (6)
27 Coin changed for a figure (4)

Solution to Puzzle No. 4,251



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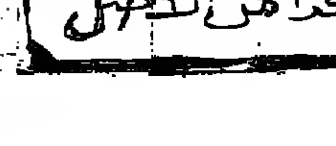

Deutsche Oper, Berlin

Tristan und Isolde

by RONALD CRICHTON

Catarina Ligendza and Ruth Hesse

Tristan is an opera for the prime of life. The lovers are no doubt well on the right s ide of middle age, but not extremely young: they have much experience behind btem, recaleld in th first act. King Mark, Tristan's uncl,e is yonng enongh to take Isolde as bride, to hunt at oight and to cress the sea. Few singers are nnwise enough to tackle the main roles until experience has ripened them physically as well as musically. A slim Isolda and a handsome Tristan are bonnses but not essentials. Yonng conductors who may respond ardently to the passions in the score will rarely hava the ability to control the imense spans of music, to maintain the flow while standing back to see the whole.

Barenboim, who bas just conducted his first *Tristan*, in West Berlin, is 37. The third performance, last Saturday, was in many ways striking ,but according to report less wholly satisfying than the first, A visitor should be wary with the Deutseha Oper where the acoustics are forward, almost brash. The sound comes at you from both pit and stage. The first act mada a powerful effect, with a Prelude slow but grandly sustained; clear, firm lines and big sonority. Nothing tentative about the opening scene for Isoldeand Brangane: a stromy impulse that persisted through the act to a turbulent close .

Already there was a hint of aggressiveness in the approach. Tha orchestra at the Deutsche Oper is reliable, sturdy and solid rather than ultra-refined. The second act started excitingly, with (again) big sonority for the off-stage bunting horns and a whirling climax for Tristan's entrance. Thereafter the level declined. The boil-down to the first section of the love dnet was choppy. Excitement remained, nothing was dull, but there was little sensuousness; the torrent flowed. indeed it almost roared, yet one missed tbe total view, the steel fingers in silken glove of Kleiber, Goodall's ancient wisdom and feeling for long-term propertioo. The one thing Barenhoim's brilliant career bas not given him is something a German conductor of bis age would almost certainly have—routine experience in an opera house, which may explain both the Impact of the better parts of this performance and the absence of a certain kind of canniness.

It was not a question of drowning the singers: no more was lost, probably, than usual. But the impresslon of overall loudness was finally wearing. Catarina Ligendza's Isolde is masterly: the voice warm and full, with soft attack but uncommonly easy projection. High notes are well formed but have lltle edge and do not always crown the phrase, though the lack of shrillness is welcome. The treacherous last note of the Liebestod was taken with lambent softness. Miss Ligendza looks wel, with mobile, expressive features and speaking eyes. The Tristan of Spas Wenkoff looks well too (for a Heldentenor an aquiline profile. suggesting intelligence, is an advantage). He is musical above the average, each successive phrase sensitively pointed and placed. yet oo Saturday there was a certain restlessness and nnevenness in the singing.

Marks was given a lovely performance by Martti Talvela—no prosy promposity hut sorely puzzled henevolence, the voice smoothly. effortlessly dominating. Kurwenal was to bave been sung hy Fischer-Dieskau, who was ill aod replaced hy the accomplished Ger Faldhoff. Ruth Hesse's Brangane was so well acted (in their costumes and attitudes hoth Isolde and her coofidaote had something of the mid-19th century and a pleasing feeling of feminine conspiracy) that one hates to say that to her old weakness of diction this artist now adds unsteady tone—the warning from the watchtower was not by any means the super-magical moment one expects. Like so much else, it was too loud—was there some amplification ?

In the production of Gotz Friedrich (loteodaot-elect of the Deutsche Oper) the hrilliantly gifted mao of the theatre was more in evidence than the seeker after meanings. The sets of Gunther Schneider-Siemssen, though hy no means bare, are unfurnished. No couch on hoard ship or hench in the nocturnal garden. Yet Friedrich's ability to move and place his singers and to devise kneeling and reclining positions which don't look too uncomfortable is so great that one hardly noticed.

The third act is dominated by a great rectangular spur of rock, deeply fissured. Here there comes a touch of the over-insistance remembered from Friedrich's Covent Garden *Ring* as the characters (including Tristan, still agile in his ravings) continually and dangerously clamber in and out, piling oo the agony. But the eod, with the dead Tristan and expiring Isolde alone on the rock and the others in the shadow at its base, was excellent—Miss Ligendza's gradual, supple, unaided collapse was as remarkable as her singing.

Riverside Studios

On Her Own

Eleanor Bron

Leonard Burt

Eleanor Bron's one-woman show was born, as she admits in a disarming preamble, wben her partner in a two-cbaracter play dropped out. But for some years now, mainly through her television revue work, she bas seemed to be an obvious successor to the tradition of Ruth Draper aod Joyce Grenfell. She especially resembles Miss Grenfell in her flair for conversations conducted in the monologue form. Io her correot show, sbe mixes such sketches with serious material—letters home from doomed war correspondents—wistful Betjemania, aod exotic extracts from Robert (*Kennedy5s Children)* Patrick and Giraudoux.

It is a curiously private selectimn, full of intimations of mortality and sprightly sick humoor. If the overriding memory of Miss Grenfell is of a slightly ruffled provincial schoolmistress, the correspooding image of Miss Bron is of a slightly louche hlue-stockinged graduate of Varsity revue. Technical versatility plays secood fiddle to moral fervour and the impressioo that revue remains a form through wbich you cao say something serious.

There is something effectively disconcerting about those intelligent features swathed io dark curls shooting down targets from on top of ao oddly cut black evening dress. The merest trace of disguise releases all inhibltion, bowever, as wben she conducts ao uproarious lessoo in bome surgery like Fanny Cradock addressing the television faithful or, in a little gem by Michael Frayn, she confesses sins of suburban life in the religious vocative case from a kneeling position.

Best of all is the sweepIngly tactless *houteur* of a gin-swigging lady of leisure when the invisible hlind piano tuoer comes to call: "How lovely for your wife not to have to worry what she looks like;" or the devious. fatal guile of an adulterous correspondent receiving a sharp come-uppance from ber FT-readiog spouse.

Tbe songs, especially Cole Porter's "Down in the Depths," are a mistake, for Miss Bron cannot sing. But, in all, this is a pleasant *divertissement* that, witb time, can only improve.

MICHAEL COVENEY

Arts news in brief

Noel Coward's *Hoy Fever* opens at the Lyric Theatre, Hammersmith, on April 29 and runs until May 31 at 7.30 in the evenings and on Saturdays at 8.15 pm, Matinees will he given on Thursdays and Saturdays.

The cast is Polly Adams, Yvoooe Antrohus, Jeremy Child, Constance Cummings, Felicity Dean, Mary Griffiths and John Le Mesurier. The director is Michael Blakemore.

★

Micbael Codron is to present the Royal Exchange Theatre Company's production of Ronald Harwood's critically acclaimed play *The Dresser* at the Queen's Theatre on April 30. Previews are oo April 26, 28 and 29. Tom Courtenay and Freddie Jones head the cast of *The Dresser*, which is directed hy Michael Elliott.

Set against the hackground of a performance of *King Leor* in a provincial theatre in 1942, *The Dresser* is about the relationship between an ageing actor/manager and his dresser.

★

Kent Opera is to present a week of opera at Manchester's Royal Northern College of Music from May 13-17. This will he its first visit to the north-west.

The repertolre will consist of Jonathan Miller's production of Verdi's *Lo troriata*, (May 13, 15, 17), and the première performances (May 14, 16) of a Baroque double-hill: Monteverdi's opera-hallet *Il Bollo delle Ingrate* (The Dance of the Heartless Women) and John Blow's *Venus and Adonis*.

★

The Scottish Arts Council will spend £8.35m this year—a rise of nearly 16 per ceot on last year. But the council warned that if inflation continued to run at nearly 20 per cent a year, it would be "virtually impossible" for most of its grants to organisations to keep pace with inflation in real terms.

Nearly half the council's budget goes to four national companies — Scottish Opera, Scottisb Ballet, Scottisb National Drchestra and the Scottish Philharmonlc Society.

Teatro Regio, Parma

Giovanna d'Arco

by WILLIAM WEAVER

When Marie Louise, thanks to the Congress of Vlenna, became Duchess of Parma, one of ber first concerns was to improva the musical life of ber new home. She founded a school, which later developed into the prestigions Parma Conservatory, and in 1821 she sponsored the construction of a new opera house, the Teatro Regio. It opened on May 16, 1829, with the world premiere of Bellini's *Zaira*. The authorities had wanted a new work hy Rossini, but had to be content with an Italian translation of his *Moïse et Pharaon*, which followed the Bellini work.

Despite a good cast, *Zaira* was a failure; and this year, the Regio's 150th gala season got off to a similarly poor start, with a *Traviata* so roundly booed on opening night that the soprano refused to perform the third act. Happily, things have gone better since then; and the second Verdi opera of the season, *Giovanna d'Arco*, has been received with warm enthusiasm.

Though Verdi is, of course, a staple at the Regio, *Giovanna d'Arco* is as rare there as anywhere else: this new production was the first since 1859, when *Giovanna*—already 14 years old—had its first Parma staging. While the work is not on the same level with its best predecessors (*Ernani* and *I due Foscari*) or with *Attila* and *Macbeth*, which came shortly afterwards, it is still a totally enjoyable piece. Giovanna's two arias are first-rate early Verdi, and even the formula numbers —notably the *banda* music and some of the choruses — have a genuine Verdian vitality and pace.

Michelangelo Veltri, conducting the Orchestra Stabile Emilia Romagna, displayed unabashed enjoyment of the youthful vigour of the score, but also made evident its more delicate, lyrical bues. If some moments did not achieve their full emotional impact, the fault lay more with the singers than with the conductor. The orchestra, in any case, played well, especially the wind section (their tender solos in the Overture were all sensitively as well as accurately rendered).

Angeles Gulin, a former winner of the "Voci verdiane" competition in nearby Busseto, is something of a Parma discovery and a Regio favourite. The voice is huge, and Gulin Is a generous singer; but the voice is also unruly, she sometimes has intonation tronble, and she tends to concentrate on the interpretation of the big moments, paying no attention to details. Thus in the prison scene she failed to move one, as she asked for ber father's blessing, because she was obvionsly more interested in the rousing martial music that was to follow. Her secood aria, "O fatidica foresta," however, was sweetly sung, and the death scene came off well.

At the second performance, which is the one I beard, the role of Carlo, the Dauphin, was sung by Gianni Bavaglio, replacing an indisposed Gianfranco Cecchele. Bavaglio's acting was understandably wooden, but his singing was generally effective, even though his voice is small and sounds somewhat constricted. He was at his best in the quasi-lova scene in the royal gardens. The soundest and most affecting performance came from the baritone Garbis Boyagian in the usually ungrateful role of Giacomo, the future saint'a father. At the very beginning, in his first recitative, the singer appeared uncertain of pitch; but he soon settled down, sang confidently, and won a deserved ovation.

This opera was written at the time when Verdi was known as "Il papà dei cori," and the choral writing is extensive and often tricky. The chorus of the Regio occasionaly got into brief tronble, but for the most part did its job effectively. The production was underwritten also by two other theatres ln the area, so it was clearly designed to travel. Carlo Savi's sets were spare, essential; sometimes they worked, and sometimes they dld not (the garden scene—in which the fixed choir-stalls for the cborus bad to remain—did not come as the visually lyrical interlude it should be), but they were generally good-looking. Fillppo Crivelli's staging also bad some ineffectual aspects (the invisible choirs of angels and devils were too ofteo visihle), but as usual, it was at least tactful, unaggressive, without gimmicks.

In the handsome upstairs foyer of the Regio there is a well-selected and well-arranged exhibit of pictures, documents, and pbotographs, Illustrating the theatre's early years. There is the poster announcing the season with *Zaira* and the "immortal" (at the age of 37) Rossini. Tben there is a letter from the impresario to the authorities, asking permissim to use the theatre for a series of Tombola games, to recoup the money lost on the operas presented, and—since permission was apparently granted — there is a poster advertising Tombola.

For this commemorative occasion, the Regio has also pnhlished a thick volume of essays, including several by local scholars — Gian Paolo Minardi, Gustavo Marchesi, Marcello Conati—which giva a clear and original idea of what the operatic world was like, in a large provincial city, in the middle decades of the last century: important contributions to that social history of Italian opera which remains to be written.

Wigmore Hall

Eden and Tamir

by ANDREW CLEMENTS

The number of worthwhile compositions for two pianos is so small, and the number of masterpieces fewer still, that most duo pianists must recycle their programmes even more quickly than their solo colleagues. The danger of becoming stale is thus so much the greater, and that is the one excuse that may be offered for the woefully enervated programme offered by Bracha Eden and Alexander Tamir at the Wigmore Hall on Tuesday night.

Their concert included two of the masterpieces — Debussy's *En Blanc et Noir* and Schubert's F minor fantasy. It also contained Rakhmaninov's second suite, an ingratiating diversion in an alert, precise performance. But precision and alertness were the things most obviously lacking in Eden and Tamir's playing; a failure to grasp the idiom of each work was a close runner-up. The opening movement of *En Blanc et Noir* crumbled beneath lumpish figuration and an inability to distinguish the important strands of the argument from the subsidiary decoration; in the second movement Mr. Tamir decided that the haunting, hollow fanfares neded softening with cheapskate rubato.

The mechanics of the Schubert fantasy were negotiated without too much difficulty, though even here one could have hoped for a little more sense of understanding in the shaping of some of the important melodies. But the Rakhmaninov suite was a comprehensive failure, loose in rhythm (what rhythm one could hear beneath a fog of pedal) and unimaginative ln phrasing. Unsympathetically handled Rakhmaninov can see ma prolix composer—the great Rakhmaninov pianists are those who can see beyond the sequential passages, renewing them each tima. Once again though, melody was indistinguishable from figuration; the unknowing listener could have been excused for not grasping where one phrase ended and the next began. A singularly depressing evening.

Welsh National Opera

Despite a shortfall in subsidy for hte 1980/1981 season, causing the cancellation of one new production and a cut of two weeks touring, Welsh National Opera will still present seven new prodnctions. These are Richard Strauss's *Woman Without a Shadow* to be sung in English, *Tosca*, Handel's *Rodelinda*, Martinus' *Greek Passion* (British stage Premier) *The Servants* (World Premier), commissioned from William Mathias by WNO and the Welsh Arts Council, *The Journey*, by John Metcalf (another World Premier) and *The Cunning Little Vixen*, a co-production with Scottish Opera, in the two companies' joint Janacek cycle.

WNO will also present Alun Hoddinott's new opera *The Trumpet Major* to be premiered by the Royal Northern College of Music at Sadlers Wells' in April 1981.

Sponsors include Amoco (UK) Limited, Imperial Tobacco Limited, and Renault.

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A surprising achievement

IT IS very rare that the British Government — or, for that matter, any government—embarks on a wholly laudable enterprise and carries it through with impeccable success against what seem, at every succeeding stage, to be overwhelming odds. Few people thought that Lord Carrington could negotiate an independence plan with the political parties of Zimbabwe-Rhodesia, even fewer that Lord Soames, backed up by little more than a symbolic support staff, could translate the Lancaster House agreement into reality on the ground.

The sceptics have been totally confounded. Rhodesia has been brought back from illegality and, through the democratic mechanism of the ballot box transformed into an independent Zimbabwe which now takes its place as a free and sovereign nation. Lord Carrington and Lord Soames have brought off what many thought to be impossible, and it would be difficult to rate the achievement too highly.

Relationship

For Britain this marks the end of an era. Though the UK still has a handful of dependent territories overseas, the independence of Zimbabwe represents the resolution of the last major colonial problem. Naturally there will be, or at least there should be, a close continuing relationship between Britain and the ex-colony. The new government in Salisbury will need all the help it can get in mastering the problems of independence, whether political, social or economic, and it would be both right and natural that Britain should play a leading part in providing such help.

Mr. Robert Mugabe, the new Prime Minister, has made it clear that he is anxious not to drive out the whites who play such a key role in the management of the country, and British assistance, whether technical or financial, may be especially valuable in butressing morale among the white community. Nevertheless, independence means what it says, and Britain's responsibility is now confined to that of friendly support. From here on, it will be up to the people of Zimbabwe to conduct their own affairs.

Naturally it will not be easy. A great many former guerrillas must now be re-integrated either into a vastly expanded army or into civilian life of which they have had littl eexperience. The ordinary black population, having achieved political sovereignty, will undoubtedly hope for a correspondingly rapid improvement in economic conditions, whether this is expressed in terms of wage rates in the factories or in the form of land reform in the agricultural sector, and these expectations will not be easy to gratify as quickly as people would like. Mr. Mugabe rightly wants to create a multi-racial society, but he will have to perform a delicate balancing act in trying to reconcile black desires for rapid change in the running of the country, with the desires of the whites (and the need of the country) for a large measure of continuity and gradualism.

The best augury for the future is that Mr. Mugabe comes to power with the legitimacy of an election which everyone agrees was remarkably fair, and which nevertheless gave him the uncovenanted bonus of an absolute majority in Parliament.

South Africa

The peaceful transition of Zimbabwe through elections to black majority rule and independence inevitably prompts the question, what will be the implications for South Africa? The most enlightened opinion in the Republic would hold that Pretoria can live with any regime in Zimbabwe which is stable and responsible. Some South Africans may have been shocked at the election of a man whom they feared as a Communist, but they should be reassured by the moderation of what Mr. Mugabe has actually said since the election.

Nevertheless, Mr. Botha's government must now know that there is little or no hope of building a *cordon sanitaire* of compliant black States round South Africa, and the unexpected outcome of the Zimbabwean election may make the South Africans more reluctant to permit free elections in Namibia. Such residual anxieties can do nothing, however, to mar or qualify the bringing a free Zimbabwe into the community of nations.

The true cost of high wages

THE LATEST wage statistics give a superficial impression that labour cost pressures have begun to ease; but the true facts behind the figures offer no such reassurance. The rise in earnings is now over 20 per cent, and still accelerating. Within that figure, which makes a sad contrast with a monetary growth target of 11 per cent, the highest increases are being paid in the public sector, with private services second and manufacturing a poor third. This is an utterly unsatisfactory picture, whose implications for the future are forbidding.

The bleak facts are that average earnings, after allowing for various distortions, are now up by over 20 per cent and still rising. This reflects, among other things, an admitted 25 per cent rise in the central government pay bill. By contrast, the average level of settlements during this year appear somewhat lower, with a national average of 16½ per cent—with the public sector, at 14 per cent, well below the private sector figures.

Private sector

However, the public sector increases come on top of the large Clegg adjustments. Within the private sector, there is a clear contrast between the 18½ per cent average of settlement and the figures reported from manufacturing industry through the CBI data bank, which show half of all settlements struck below 15 per cent. Even allowing for wage drift, this means that real wages in manufacturing are being squeezed, while those in private and public services are stable or rising.

This pattern is not at all surprising: it is the predictable outcome of the combined working of tight money, leading to a strong exchange rate, and the Clegg comparability exercise. However, the fact that a pattern is predictable does not mean that it is acceptable. The public sector pay explosion appears to have been accommodated quite smoothly in Whitehall, but threatens disruptive consequences in the local authorities—a contrast which may further undermine the shaky credibility of cash limits. Meanwhile it remains to be proved that tight money has any worthwhile effect in containing cost pressures among the private services for the home market.

The clearest lesson suggested by this general over-riding of monetary restraint is that monetary policy needs strong support if it is to restrain inflation without destructive side-effects — and nothing could be less promising for long-term revival than a steady rise in relative wages in the sectors of the economy which do not have to compete interationally.

The first necessity is an appropriate fiscal policy. Unfortunately the least helpful way to achieve this is through a general policy of higher charges for publicly provided goods and services purely for revenue purposes. This policy will invite higher wage claims within the industries concerned, as more cash is generated, and outside, as the cost of living rises. The rise in costs could do as much to hamper the achievement of monetary restraint as the cut in borrowing will do to assist it, leaving interest rates and competitiveness untouched.

The second necessity, then, is for far more effective management within the public sector, to improve efficiency and restore cash limits as an operative discipline — at the moment they can be excessively harsh outside Whitehall, and seem too easily circumvented within it. Good results here will not be achieved quickly, and other necessary policies, for enforcing more competition in sheltered sectors of the economy, and reforming labour relations, are also for the long haul.

Time lag

The most pressing problem for the Government is to limit the damage likely to be done to the economy in the interval before these longer-term policies become effective — and monetary policy itself operates only after a substantial time lag, except through its effect on the exchange rate. There still seems to be a widespread illusion that wage bargaining is simply a struggle over shares in a fixed national income, in which the winners are those who most handsomely beat the price index; but in fact, as we become less competitive, we are all losers in real terms. The recession we now face is not caused by monetary policy, but by ignoring monetary policy: that truth still has to be brought home.

OUR AFRICA EDITOR ASSESSES THE SIGNIFICANCE OF TONIGHT'S INDEPENDENCE CEREMONY

Zimbabwe's message for white minority rulers

BY BRIDGET BLOOM IN SALISBURY

"IN THE lives of most nations, there comes a moment when a stand has to be made for principle, whatever the consequences. We have struck a blow for the preservation of justice, civilisation and Christianity and in the spirit of this belief we have today assumed our sovereign independence."

These were the words with which Mr. Ian Smith, Prime Minister of Rhodesia, declared UDI on November 11, 1965. Tonight, the chapter which that rebellion opened is closed. Ninety years of white minority rule, nearly 15 of illegal independence and seven years of th emost bitter civil war will be over when the Union flag is lowered at midnight and the new Zimbabwe flag is unfurled in its place.

There will be jubilation and congratulation as the assembled dignatories, many of them from Third World and African states, delight in the triumph of Zimbabwe's legal independence. But if the first note recording an extraordinary saga is a sombre one, it is right that it should be. The bush war, which the white minority Government fought in the name of justice, civilisation and Christianity, killed at least 27,000 people. More than 10 times that number were wounded. And nearly 1m Africans, as the flags fly this weekend and the songs are sung, will be homeless because of the war. It is a heavy toll, made no lighter because it might, had the war gone on longer, have been much worse.

However, though it comes at the close of one of the bloodiest chapters in African colonial history, tonight's ceremony and all it represents does at least confound the sceptics. Some of the visiting dignatories in Salisbury's Rufaro stadium tonight may reflect on Ian Smith's words 15 years ago. But many more are likely simply to be astonished that they are here at all, being able to celebrate an independence in such peace only three months after the fighting stopped and less than two after an election whose result was so overwhelming that the new Government's right to office brooks no challenge.

Very few people indeed would have predicted last April that within a year Zimbabwe would be legally independent in peace, and a flood of international goodwill. And even fewer would have said that Mr. Robert Mugabe, so widely believed to be a dangerous Marxist, would, as Zimbabwe's new Prime Minister, be busy reassuring the country's whites, and its white-run businesses, that they and the country's 7m blacks all had a place in the new Zimbabwe sun.

The tale of the last year's events is indeed remarkable. In retrospect it is possible to see that the two sides in the guerrilla war had fought themselves to a stalemate: that the white-run Rhodesian forces had begun to realise that they could not win, while the guerrilla armies saw, or were persuaded to see, that the cost of ultimate military victory would be too high.

With hindsight, too, it could be seen that by the time the Commonwealth held its summit in Lusaka last August, the necessary extra ingredients—in the form, for example, of a more determined British Government and economically exhausted African states, were assembled for a concerted "final" attempt at settlement. These factors kept the Lancaster House talks going when they looked like faltering, and the settlement which was signed and sealed in London on December 21 was bound to work once it began to be put into effect on the ground in Rhodesia.

But hindsight casts a rosy glow over the past. At almost no time up to December 21 did a settlement look inevitable and very often after that it seemed impossible that what had been hammered out in London could actually be made real on the ground.

A year ago Mrs. Thatcher was not yet Prime Minister and in March, 1979, her then shadow foreign secretary, Mr. Francis Pym, all but committed the Tories to legitimising the "internal settlement" Government of Bishop Muzorewa and Ian Smith. As late as June, the Bishop believed that he had Mrs. Thatcher's recognition in the bag. At Lusaka, the hard work put into the conversion of the Prime Minister by Lord Carrington and his Foreign Office officials could have gone for nothing if the African Frontline Presidents, in particular, had reacted differently. —Even when that hurdle was overcome, there were many occasions at Lancaster House when the whole exercise was near collapse. The tenacity of Lord Carrington, or the perseverance of the African Presidents and of the Commonwealth Secretary-General or finally the readiness to compromise of the parties involved just kept it going, week after painful week.

It is extraordinary, one of the senior British colonels in the Commonwealth monitoring force said at Umtali, in Eastern Zimbabwe, in the middle of February when election violence threatened to get out of hand. "Huge problems face you every few days here. You think they're insurmountable. Yet somehow when you get to them, they melt away." He was talking particularly about the successful way, against al the odds and predictions, that the guerrillas assembled in their remote camps within the first two weeks of the ceasefire. Despite lapses and provocations on both sides, the ceasefire held for the often violent seven-week campaign. The colonel left Rhodesia very shortly afterwards: in perhaps the most astonishingly successful exercise of all, the monitoring force pulled out almost all its men in the assembly places in advance of the election, to have them replaced, in a "mutual hostage" exercise, by Rhodesian soldiers and policemen.

And so, in a sense, it has gone on. Mr Mugabe's massive election victory made it unlikely that the "boys" in the camps would return to the bush to restart the war. But some 6,000 more guerrillas who had been "hiding" inside the country during the campaign have now gone into the camps and are apparently eager to be trained as regular soldiers.

There are hiccoughs, but the amalgamation of the three armies—the ZANLA of Mr Mugabe, the ZIPRA of Mr Joshua Nkomo and the white officered Rhodesian forces—which once seemed inconceivable, is actually happening. There was, against all the pre-election fears, no white coup, and with each passing day a white backlash looks increasingly unlikely. And there is Mr Mugabe, seven weeks after he was appointed Prime Minister, being as moderate and as cautious as any black or white capitalist could wish.

It would be foolish to deny that there have been and are still serious problems. In the next few days n odoubt, if Mr Mugabe and his colleagues have been tempted to join in the independence euphoria, a sterner reality will rapidly impinge. In four days' time, on April 22, the Financial Times publishes a special survey on the new Zimbabwe which provides a close analysis of the legacies which the war, and 15 years of UDI, have left the new Government.

The need for massive reconstruction and rehabilitation and the promises of land reform, resettlement, free education and health and of better wages and more jobs, will be very difficult to fulfil against the background of an economy still desperately short of foreign exchange and a white population which, for better or worse, still very much dominates the administration and the private sector and which is still, despite Mr Mugabe's assurances, very uncertain of its future.

But perhaps on this important, even momentous day, two points should be made. Lord Soames, who leaves Zimbabwe tomorrow after a much more successful four-month Governorship than he or anyone imagined possible, often maintains that luck has played a big part. He is, of course, right. The tightrope walker would not stay on the wire unless he was very skilled. But without luck, he would succumb to the gremlin and fall off.

We've been lucky, too—and not least perhaps because this is Africa. There is an almost indefinable element in the success of the Zimbabwe settlement effort over the last few months which seems to stem from some quality of forgiveness which—despite the horrors of a Uganda or a Central African Republic — is perhaps uniquely present in African societies. Zimbabwe today reminds me of what happened, again to the surprise of the Western world, at the end of the Nigerian war. The issues in Zimbabwe have seemed as bitterly divisive as those which unleashed this century's wars in Europe. The racial divide was even more obvious in Zimbabwe, if not more corrosive.

Yet in Salisbury today there are no war trials, no tribunals, no Nurembergs just as there were none 10 years ago in Nigeria, though the civil war there, of black against black, was as bitter if mercifully half as long.

And if anyone maintains that there is an official amnesty here, decreed while Zimbabwe was still nominally British, the British are not responsible for the extraordinary ability to forgive and forget being shown by so many in Zimbabwe, from the Prime Minister and his Ministers downwards.

Does all this hold a lesson for Europe, or for Britain, the "arch-colonialist" especially? Perhaps not, directly. As the flag comes down tonight, Britain will be absolved from its African colonial responsibilities.

The process of decolonisation, heralded by Macmillan and nurtured by Macleod, began with honourable intentions and it seems, ends that way. Britain leads the aid donors to Zimbabwe. But Africa will now recede in importance for Britain. No foreign secretary, one may safely bet, will ever again spend more than 50 per cent of his time and energy on southern Africa, as almost all foreign secretaries have done for the past 15 years.

Namibia and South Africa remain under white minority rule. Britain has large investments in and perhaps moral obligations towards both countries. It is possible that the past few months in Zimbabwe could show Britain, and through Britain the whites there, that majority rule might not be so terrifying after all?

Prince Charles reviews a Rhodesian Air Force guard of honour at Salisbury Airport yesterday

MEN AND MATTERS

Paddling into the Arctic past

There is not a lot, you may say, that a Midlands businessman can usefully teach an eskimo. Frank Goodman does not agree. Off to the frozen wastes of Canada this summer, this director of Valley Canoe Products, Nottingham, travels in the hope that he can restore to the dispirited natives a part of their cultural heritage: he is going to promote nothing less than the use of kayaks.

"They have given up their traditional driftwood and sealskin boats since the white man gave them the internal combustion engine," Goodman tells me. "We want to sell them the idea that kayaks are still worthwhile — especially glass fibre ones which can be built in two days." The old ones used to take up to six months, he explains, and in any case the last local man who could build them is now dead.

He is not, he insists, out to make a profit. "This trip is to reaffirm a culture. Thanks to the white man many eskimos now have nothing to do but sit about, get drunk and draw social security—like some of our own young people. We are going to set up a study of boredom in two separate cultures."

Goodman, 49, has trumpeted the merits of the kayak in the three years since he paddled one of his own round Cape Horn. Having shipped moulds and materials to the eskimos last year, he now plans a demonstration paddle with tribesmen around Frobisher Bay, off Baffin Island.

Following in the wake of Martin Frobisher, who, in 1570, took 400 men on the biggest-ever Arctic expedition in search of the North West Passage, our hero also hopes to relive a piece of history.

Frobisher, it seems, was also a keen prospector—though a poor geologist—who brought home tons of rubble he mistook for gold ore. In his diggings, which have since been visited only twice by outsiders, the unfortunate explorer also found rich deposits of coal which he dug up and left behind. Now, 410 years on, Goodman plans to pay belated tribute to the energies of his precursor and, cooking with nutty slack from the world's oldest coal pile, dine off narwhal steak and beans.

"Typical, they've ignored all the extra staff they'll need in all the new Job Centres . . ."

Missed sale

Hard-pressed as he is, Sir Michael Edwardes this week still found time to visit his old stamping ground in South Africa. Having succumbed to the blandishments of his academ compatriots, Sir Michael went home primarily to collect an honorary degree. But never normally given to speeding valuable time on such relatively trivial affairs, he also took the opportunity to blow BL's trumpet.

The company's South African subsidiary took quite a mauling last year in an attempted merger. Now, h esays, everything is fine. "The South African subsidiary has recovered," he boasted, "to such an extent that there is no question of it closing down." One area where it hasn't shone, however, is in the ripening export market on its northern doorstep.

The company recently offered to supply a dozen Rovers for the British High Commission to be established in independent Zimbabwe. Unfortunately, the mission had already ordered 12 Ford Cortinas.

Star value

I see from a confidential entertainment survey which has come my way that show-business personality Harold Wilson can still attract the crowds. His charisma is strong enough, the survey says, to attract fees of up to £2,000 for putting in an appearance at seminars and sales conferences. This puts him on a par with the likes of David Frost and ex-Goon Michael Bentine while down the scale on £1,000 a head come acting farmer Ted Moult and soccer manager Laurie McNemeny.

Paw broker

After some investigative sniffing around the Italian insurance group Assicurazioni Generali has just snapped up an outfit new to me known as the Dog Breeder's Insurance Co.

As new chairman Ken Hall points out, the value of the pet insurance business has gone up appreciably in recent years. "You don't go along and pay £10 for a puppy any longer, you know. You will pay £80 or £90 for a run-of-the mill Labrador."

For an annual premium of about £12 owners can get what is known in the trade as a "complete dog" policy, the equivelent of the fully comprehensive cover you would obtain on your new Rover. It covers breeders and kennels for illness and disease, accidents, theft, straying and whelping. It is, in short, a pets' BUPA run on BUPA lines.

Competition among brokers is described as fierce, even in a growing market, and large numbers of brokers are said to be straining at the leash to place more business. Hall says guardedly that he hopes premium income, now around £500,000 a year, will grow faster than inflation.

In business for 32 years, Dog Breeder's has broken out of the kennel and now offers cover on all kinds of stock: on cats, ponies, donkeys and even goats. It was this diversification and the scale of the business which attracted the Italian bidders. "Generali has developed on the livestock front and is now insuring racehorses for £1m or £2m. It receives inquiries about other animals and these fit in quite nicely for us," says Hall. "Likewise, we can pass on any business inquiries on matters like stables."

Happy note

Out of the otherwise totally depressing saga of the U.S. hostages in Tehran has come a sign that true love conquers all.

One of the captives, Staff Sgt. Joseph Subic Jr., who worked in the military attaché's office, wrote to his girl-friend soon after the Embassy was seized last November, asking her to marry him.

It was one of the few letters the students have allowed to be posted. The girl, a former secretary at the British Embassy who had just been evacuated, promptly decided she would say "yes." Then she had to find a way to get the message across. An intermediary in Tehran was found, acceptable to the students, and for several weeks now he has bee nplaying Cupid, delivering letters between the two lovers.

Unlucky break

From a schoolboy conversation on the Basingstoke train: "Had a terrible nightmare last night. I dreamed I broke my leg playing rugger . . . and my mother ran on the pitch and kissed me."

Observer

Panic and wrong answers from the Fens

THE CAMBRIDGE Economic Policy Group (CEPG) has once again shown itself past master at giving the media and the opinion makers what they want. It provides (a) horrifying numbers to make our flesh creep and (b) a call for import controls to keep the producer lobbyists and special interest groups happy.

It has also the art of timing. At the beginning of a recession expected by observers of almost every economic outlook, all it has to do is to take the worst possible view of the outlook for the next year or two and then project it indefinitely forward to achieve a plausible effect. It combines Murphy's Law, "If anything can go wrong, it will go wrong," with Godley's Law, "What comes down will not come up," and Cripps's Law, "Everything will come right in the end if only you adopt import controls."

To see the nature of the Cambridge analysis, it is best to go straight to the tables at the back of the April, 1980 Economic Policy Review (published by the Cambridge Department of Applied Economics). The base projection is supposed to be roughly in line with present policies, except that the Public Sector Borrowing Requirement suffers a depression-induced rise. Unemployment rises from 1.3m in 1979 to an average of 1.9m in 1980—not that much higher than the Government's own projections. In 1981 it shoots up to 2.6m—certainly a crisis figure, but not impossible if labour market monopolies do their worst, aided and abetted by the Clegg Commission and its Cabinet sympathisers.

But it is in later years that catastrophe arrives. For far from the 1981 figure being a peak it continues in the Cambridge projections to rise by 400,000 a year, steadily and monotonously, to reach 4.4m in 1985 where the edge of the paper is reached. The CEPG is not saying that market forces work too slowly, but that there are no self-correcting forces in the economy at all. Thus a fall in public sector borrowing is seen as simply depression-inducing unless accompanied by a beggar-my-neighbour increase in exports relative to imports.

The base projections should make one extremely suspicious. It shows no change at all up to 1985 in the sterling exchange rate. This is despite deterioration of over 30 per cent in export competitiveness, over and above the 16 per cent deterioration that has already occurred between 1976 and 1979. The projection is in striking contrast to the chart on Page 10 of the Review itself which shows the real exchange rate (adjusted for UK costs and world prices) subject to wide swings, but showing no long-term trend at all. The CEPG base projection is simply not a credible picture — especially in the light of the Cambridge authors' own emphasis on the "mirage" of North Sea oil and how soon its benefits will level off.

CAMBRIDGE PROJECTIONS

	1979	1980	1981	1982	1983	1984	1985
Unemployment (millions)							
Base Projection	1.3	1.9	2.6	3.2	3.6	4.0	4.4
"Devaluation in 1981"	1.3	1.9	2.5	2.7	2.9	3.2	3.6
"Tariffs and Devaluation in 1981"	1.3	1.9	2.1	2.0	1.9	1.8	1.8
Consumer prices (% annual increase)							
Base Projection	11.9	19.1	12.6	10.9	9.8	8.8	7.9
"Devaluation in 1981"	11.9	19.1	17.8	10.4	11.8	19.0	22.0
"Tariffs and Devaluation in 1981"	11.9	19.1	9.8	1.3	6.6	14.2	20.4

Indeed the more one looks at the "base projection" the more curious it becomes. For although it is supposed to represent a blood-curdling depression, we notice that the volume of consumer spending rises by about 10 per cent up to 1985. Not only that, but from 1981 onwards post-tax real earnings rise by 3 per cent to 4 per cent per annum. Regardless of the growing pool of unemployed, those remaining at work are supposed to be able to obtain very high real wage increases which price more and more of their fellows out of work — presumably indefinitely.

. . . in one flight of fancy the authors abolish income tax

One is tempted to say that anyone who believes this will believe anything. But a more sober reply would be that if this were true the most urgent task of policy would be to break np union monopoly power — whether by the hawkish method of ending legal privileges and illegal intimidation or the dovish method of handing over large enterprises directly to workers to run as co-ops and discover for themselves the market value of their services. But the Cambridge Group is not interested in this set of problems at all.

It is obsessed by the view that (a) that all our problems are due to lack of demand (b) that demand can only be geoerated by government management — which makes one wonder how ecnoomic growth occurred in all the millenia up to World War II when demand management was mercifully unknown—and (c) that a demand stimulua can only be generated by regulating foreign trade. With (c) we move from ultra-Keynesian economics to the economics of General Franco from which the Spanish are painfully trying to extricate themselves.

The second set of projections shows a devaluation in 1981 sufficient to secure a 14 per cent improvement in export competitiveness and, after that, enough continuing depreciation to keep export costs rising at the same rate as competitor countries. In addition a two-year incomes policy sufficient to restrain the rise in money earnings to 15 per cent in 1981 and 10 per cent in 1982 ia assumed.

Such a proposal would be a seventh heaven for maoy of the Governmeot's critics, especially those in Whitehall itself. Yet on the Cambirdge analysis it offers only a brief respite, with unemployment still at 3.6m in 1985 and prices rising as well, by over 20 per cent per annum, and at an acceleratlng rate.

Monetary variables do not figure in the statistical appendix at all. All we have is a propagandist text table purporting to show that monetary movements have not effect on prices and earnings. Yet one only has to put in a two-year time lag to see that inflation does change in the same direction as money —despite the crudities which ignore th einternational aspects of the transmission mechanism and temporary shocks such as oi lprice or VAT increases, and the corset distortions which cause 1979 monetary growth to be understated.

Indeed there is a curious contrast between the declamation ln Chapte rOne that present policies will lead to "a highly perverse combination of recessio nand continued rapid inflation" and the base projection in the same document showing inflation down to 8 per cent in 1985 and on a falling path.

It will not aurprise anyone to learn that be only prospect offering any hope at all is supposed to be that which combines devaluation with import controls. In that case unemployment peaks at 2.1m in 1981, falling to 1.8m in 1985 and to 1.3m in 1990.

Nor is this mere make-work, as even most of those who sympathise with the CEPG will asssume. Output in 1985 is put at 20 per cent higher than with devaluation alone and over 30 per cent higher than ou the "base projection." The one fly io the olntment ls lnflation, which is still 16 per cent by 1990, but at least it is on a falling trend and would be a small price to pay for the output miracle—if only one believed that bolstering inefficiency and cutting off external competition were the way to achieve it.

. . . they take the worst possible view . . . then project it indefinitely

Any industrialist or ambltious hackbencher who wants to play with import controls should study the CEPG Appendix carefully before citing Cambridge in support. For here is no temporary and modest protection. We start off in 1981 with a 15 per cent tariff or equivalent on services, 20 per cent on semi-finished goods and 30 per cent on manufactures—presumably over and above existing duties. These levels "are raised progressively after 1983, reaching levels of 36 per cent, 48 per cent and 72 per cent" for the three categories by 1990.

We can readily believe that the CAP and EEC budget arrangements will then "cease to apply"—although there are surely less self-destructive ways of getting rid of these encumbrances. In addition "public expenditure is increased steadily in real terms." Tariff revenues are used to cut taxation and subsidise investment. Indeed in one flight of fancy the authors abolish income tax and indirect taxes and replace them with tariff revenues.

Import savings brought about by controls are directly at the expense of exports. This follows from the simple fact that, apart from capital movements, trade has to balance; and the main effect of import restrictions is to balance trade at a lower level. An export tax would have moch the same effects — and have tbe educational effect of exhibiting the export job losses that balance any job-saving in the import sectors.

In deed import controla on their own would tend to bring about not a devalnation, but a further appreciation of sterling. The original popularity of import controls some years ago was a response to the weakness of sterling. An import aurcharge —first of 15 and then of 10 per cent —was imposed by the Wilson Government in 1964-66 specifically to avoid a devaluation of sterling without changing underlying policies.

It could not have worked in the long run, even without the overseas outcry which led to its early abolition. But its immediate effect was undonbtedly to allow the old $2.80 exchange rate to be maintained a little longer. To prscribe import controla when sterling is strong—and alledgedly too strong — is like prescribing cod liver oll for a child suffering from diarrhoea.

There is only one way to prevent import controls being offset by a further rise in sterling and a decline in exports. The "com "plex combination of official sale of sterling, relaxation of fiscal and monetary policy and inspired rumours," which the authors say would be required to bring about devaluation, would also be required to prevent sterling rising and exports falling ln the face of import controls.

. . . anyone who believes this will believe anything . . .

But lf it is safe to expand domestic demand and take risks with the price level, why not do so directly? Sterling would then depreciate without any need for import controls. What is crystal clear is that it is impossible to superimpose import cotrols on top of existing monetary restraints — as some silly-clever MPs argue — without obtaining the opposite result to what they desire.

By far the best detailed study of the Cambridge cast is by Mr. Maurice Scott, et al, in *The Case Against General Import Restrictions* to be published shortly by the Trade Policy Research Centre (1, Gough Square, London, EC4A 3DE)—its one fault being to treat the CEPG with excessive respect. Like others before him Mr. Scott devotes a lot of space to showing the inferiority of import controls to normal monetary and fiscal stimulation —which would antomatically bring devalnation—under conditions when demand can safetly be stimulated.

It is only on this assumption that it is even possible to compare import controls with alternative policies. But Mr. Scott's own view is that to expand demand by *any method*—with or without import controls—would lead to faster and faster inflation unless wage fixing behaviour can be changed. In his previous work *Con We Get Back to Full Employment?* he states that the problem lies in a level of real wages relative to profits, too high for full employment.

This may be true; or Mr. Scott may understate the self-correcting forces existing even in the face of nnion monopoly. But import controls are as wrong-headed in the face of the problem of overpowerful unions—or over-timid Ministers —as they are in the face of a supposedly overvalued exchange rate.

As Mr. Scott points ont, "With less foreign trade, the bargaining strength of labonr in particular industries protected by import restrictions would be strengthened. Employers, themselves less subject to foreign competition, would offer less resistance to wage demands."

This is precisely why import controls have such appeal in certain circles.

Even more succinctly, for the UK to seek salvation through import controls would be "like the man who has failed to hold down a succession of jobs and finally, in desperation, takes to the bottle."

Samuel Brittan

Letters to the Editor

Predicting trends

From Mr. N. Travers

Sir,—Sadly, nobody pays me a pretty comfortable salary to predict values for sterling (Anthony Harris, April 10) or future interest rates for that matter. But I am prepared to predict how sterling and interest rates, and inflation for that matter, will perform this year—and eat a handful of clean pound notes if proved wrong.

All will depend on our trade performance. The pound will follow the trade balance, because it has followed the trade balance consistently since it was floated some nine years ago. Inflation will follow the trade balance, because it has consistently followed the trade balance for the past decade (my records only go back to the beginning of 1970). Interest rates will move in line with the trade balance, because the Bank of England—far from wrapping interest rate policy in enigma — has always linked rates closely to its trade expectations.

How will trade perform? Encouragingly, if Government helps exporters. Discouragingly, if the anthorities continue to hog resources. Your recent comments on the reality of government spending cuts suggest a gloomy view. But, on the other hand, oil may calm all tronbled waters.

Nicolas Travers.
Birchfield Cottage,
Middle Green, Slough.

Benefiting the shareholders

From Mr. R. Picton

Sir,—The purchase of 25 per cent of the equity of Consolidated Gold Fields by De Beers and other parties received criticism in the Press. One aspect which has been dwelt upon is the suggestion that De Beers could have made a tender offer for the 11 per cent of CGF which was bought on February 12 at 616p, compared with a closing market price of 525p on the evening before. I concern myself with two limited aspects on this point alone.

If, as seems evident, De Beers' partial objective was to ersure that CGF remains an independent group, could it have achieved this aim in practice by a tender offer? It was widely rumoured that Afrikaaner interests in South Africa were actively interested in CGF and a tender offer by its very nature could have triggered off heavy purchases by others in the market. A full bid for CGF by such parties never appaered likely.

The total purchases of 25 per cent of CGF, shares drew market attention to an undervalued situation and raised the share price to the benefit of all shareholders. For example, between January and August 1979, CGF shares performed very poorly aginst the price of gold, despite the fact that its other interests were also doing well. I choose August 1979 as a datum point since the large buying of CGF shares does not appear to have begun in real earnest by that stage.

	2/1/79	15/8/79	% Change
CGF	183p	221p	+21
Gold Price	$225	$300	+33
FT Gold Index	97	147	+51

Since August 1979, both the prices of gold and of gold related shares have fluctuated violently, bnt at the time of writing the position is as follows:

	15/8/79	15/4/80	% Change
CGF	221p	470p	+113
Gold Price	$300	$497½	+66
FT Gold Index*	147	291	+98

* All ex-dollar premium

Since De Beers entered the picture, therefore CGF shares have out-performed both the price of the metal and the gold share index.

It may be regrettable that every shareholder did not have an equal opportunity of selling at least part of his shareholding at the bid price on February 12, but the effect of De Beers' operations has been to the advantage of all shareholders of CGF.

R. J. F. Picton.
Lothlorien,
Long Grove,
Seer Green, Bucks.

Outrageous traducement

From the Chairman, Senate of the Inns of Court and the Bar.

Sir,—In Monday's edition, your correspondent Justinian has seen fit to comment on the disciplinary procedures of the Bar. "How a governing body deals with its own members." His thesis was that since there was no lay representative on the Tribunal, a barrister gets away lightly. He even ended his article with "the law knows best how to protect its own"—a tired cliche invariably trotted out by the ignorant whenever lawyers are mentioned.

Had he taken the slightest trouble to inform himself, Justinian would have found that there is lay representation at each stage of the Bar's disciplinary procednres. There is a layman on the professional conduct committee which deals initially with complaints against barristers. The committee does not reject a complaint unless the lay representative agrees. When a complaint reaches and is tried by a disciplinary tribunal, there must again be a (different) lay representative amongst the five members.

It is nothing short of outrageous that a correspondent in a reputable newspaper should traduce the procedures of a professional body on a wholly inaccurate basis of fact. As his name implies, Justinian should bring himself np to date—and meanwhile apologise publicly.

Peter Taylor, Q.C.,
The Senate of the Inns of Court and the Bar,
11, South Square,
Gray's Inn, WC1.

Costs and prices

From Sir Alan Neale

Sir,—"The higher the rate of inflation compared with the Government's monetary growth targets, the deeper will be the deflationary trap in which the economy will be caught." What a splendid sentence from your important leader (April 12) on the "monetary battlefield." Now that we enjoy monetary restraint, strong inflation and deep deflation go together. One sees what you mean, but is it not time to stop using the metaphor of inflation, with its implication of undue pressure on resources, when we simply mean the rate of increase in costs and prices which plainly has nothing to do at present with pressure on resources?

It is important that you have come to accept that monetary restraint has no direct or antomatic effect on costs and prices but, as you say, merely produces unpleasant effects in the form of reduced activity and employment. Sooner or later, you say, these secondary effects are bound to restrain inflation pressures. This can only mean that you have re-established the Phillips Curve. May we now have a chart in the Lombard column to illustrate this relationship? Without the figures in front of me, my strong impression is that with 1.5m unemployed, the average rate of income settlements is about twice what it was with 750,000.

(Sir) Alan Neale.
37, Stormont Road, N6.

Depressed by a 42% increase

From the Head of Public Relations, Borough of Stockport

Sir,—While most of my local government colleagues wallow in euphoria, following our recent pay settlement, I feel depressed by it all. But my colleagues cannot understand my reaction.

After all, I am 28 per cent better off now than this time last year and with my July pay award likely to be 14 per cent, I shall soon be 42 per cent better off.

I cannot but wonder who is going to pay the 42 per cent uplift in my remuneration and how they are going to do it? Certainly, I have not increased my prodnctivity by 42 per cent, and as far as I can tell, nobody else has either. Indeed, I am acutely aware that in a world recession, our GDP is likely to shrink and that the profits of the market sector (wages and dividends) that go to pay for the likes of me are being squeezed to a virtually negative return.

In short, there is nobody to pick up the price tag of my pay rise and sooner or later I am going to be worse off along with everybody else; in which case I would rather have not had this inflationary, economically impossible wage award.

A rise of 42 per cent will "lock" me into local government because to leave it now, I would require a 75 per cent rise on last year's earnings to make it worth while. This illustrates the problem of switching resources from the welfare sector into the market sector on which tha nation's economic well-being ultimately depends.

In the past year, three of my colleagues moved from local government into the private sector in order to improve their standard of living. They are now worse off than they would have been had they not done so.

Two things must be understood by those of us in local government: at the present time our economic worth to society is less than it was a few years ago and attempts to cheat this evaluation by phoney comparability studies will be self-defeating: and if we want to improve our living standards then we must enter productivity bargaining, something which the union has studiously failed to do. There is no activity in local government which cannot be measured for the purpose of identifying output. Admittedly, there is a quantitative element that poses difficulties, but it is not insuperable and certainly not unique.

In the meantime I cannot afford not to take my 42 per cent rise because I shall be expected to pay my share of the bill eventually whether I like it or not.

B. P. Murphy.
Town Hall, Stockport.

Poor pay offered

From Mr. J. Atcherley.

Sir, — Regularly scanning recruitment advertisements, particularly for chartered engineers, I am constantly astonished at the low salaries being offered by industry and technological establishments. In some cases starting levels of below £4,000 p.a. are being offered for experienced people with degrees and/or professional qualifications. For many engineering appointments no saleries are quoted at all, merely being described as generous or attractive; to whom?

Bearing in mind that many unskilled jobs now yield £5,000 p.a. or more, how are we to attract the right people into the engineering profession, on which, we are constantly being told, onr future industrial prosperity depends?

In the light of this situation, proposals in the Finniston Report would appear to be no more than cosmetic.

J. D. Atcherley.
Castle Grove House, Chobham, Woking, Surrey.

Levels of rents

From Mr. R. Kitzinger.

Sir,—Mr. Jones (April 2) and Mr. Jensen (April 10) are probobly quite right to draw attention to the unfair manner in which the "fair rent" legislation has worked for small private landlords. There is, however, another side to the story. "Fair rent" registrations in some part of London have driven rents up to very high levels, with the result that many private tenants of long standing have been forced out.

In my area there are many flats and houses which were outside the Rent Act until 1973. Rents for these properties naturally sk-rocketed during the early years of the operation of the Rent Act, from 1965 to 1972. When rent regulation was extended to these properties in 1973, rent assessment committees used these inflated market rents as "comparables" for the purpose of determining fair rents, not only for those newly regulated tenancies, but also for properties which had been rent-regulated since 1965. The result is that "fair rents" for the latter are now at a level which is about 200 per cent above that ruling before 1973.

The scarcity clause (Section 70 (2) of the Rent Act) was intended to shield tenants from the effects of an excess of demand over supply. It does not distinguish bewten an excess caused by an influx of people or by inflation, but this protection has proved useless because the House of Lords, in an extraordinary decision (Mason v. Skilling 1 WLR 1437-1974), ruled that rent assessment commitees could do almost anything they liked, and that landlords should receive a fair return on the value of their properties with vacant possession. This House of Lords judgment completely perverts th operation of the Rent Act, although, to their credit, rent assessment committees have shown some moderation ln exercising the powers which they have been givn.

Representations have been made to the Minister of Housing, recommending that the scarcity clause be classified. It was suggested that the portion of rents which is attributable to services, repairs and, maintenance should be index-linked, and that the remainder should be more or less at the level which rent assessment committees had established prior to 1973. These representations were ignored.

Moreover, the Housing Bill proposes to reduce the period for which "fair rents" are determined from three years to two years. This will cause additional worry and work for tenants, and incidentally will have the effect of donbling rent officers' workload in the third year after the amendment takes effect and in every alternate year thereafter. If the period is to be changed at all it should be lengthened, thereby redncing administrative costs and giving tenants increased security.

It is too much to hope that these defects in the Housing Bill will be removed in the committee stage, and lt would probably be better if the Bill, or at least that part of it that attempts to improve the Rent Act, were withdrawn and redrafted after proper consultation with those on both sides who have had experience of the working of bte Rent Act.

R. Kitzinger.
31 Oakwood Court, W.14.

Crownhill Down

From Miss K. Ashbrook.

Sir,—The environmental problems of reopening Hemerdon mine, near Plymouth (April 9), are immense. As its recent applications for test borehole drilling indicate, Amax hopes to extend its workings beyond the already desecrated Hemerdon Ball on to the as yet unspoiled Crownhill Down. This ridge, of paramount landscape, recreational and archaeological importance, is undeniably of national park quality, although not at present within the Dartmoor National Park boundary. The Down is valued by Plymonthians, being the closest stretch of moorland to their rapidly expanding city; it commands superb views of Dartmoor, Plymouth Sound and Cornwall, and is richly endowed with prehistoric monuments.

There is a strong presumption against the destruction of Crownhill Down. At the 1971 English Clays public inquiry, plans to dump china clay waste here were resolutely opposed by the county council and other local authorities, the Countryside Commission and national and local amenity societies, causing the inspector to conclnde, and the Minister to endorse, that the Down should be spared.

Any proposal to sacrifice Crownhill Down for low-grade metal ores will also be strongly resisted, for we cannot afford to lose such splendid and valuable open country.

(Miss) Kate Ashbrook.
26, Wonford Road, Exeter, Devon.

GENERAL

UK: Senior management at BL Cars meet union leaders to discuss strike over pay package.

Balance of payments current account and overseas trade figures (March).

British Aerospace annual report.

Central Transport Consultative Committee annual report.

Overseas: Venezuelan President Luis Herrera Campins addresses European aPrliament in Strasbourg.

PARLIAMENTARY BUSINESS

House of Commons: Employment Bill, remaining stages.

Today's Events

House of Lords: Debate on reports of the European Communities Committee oo the CAP, EEC sugar policy and EEC agricultural cost-cutting and price proposals. Debate on water pollution.

Select Committee: Welsh Affairs. Subject: Role of Welsh Office and associated bodies in developing employment opportunities. Witnesses: Welsh Development Agency (Room 16, 10.30 am and 4.30 pm). Environment. Subject: Council house sales. Witnesses: London Borough of Wandsworth (Room 15, 10.30 am).

OFFICIAL STATISTICS

UK banks' assets and liabilities and the money stock (mid March). London dollar and sterling certificates of deposit (mid-March). Index of industrial production (February provisional).

COMPANY MEETINGS

Berisfords, Congleton, Cheshire, 11. Blagden and Noakes, Connaught Rooms, Great Queen Street, WC, 12. T. F. and J. H. Bdaine, Hunslet, Leeds, 3.15. Greenfields Leisure, Bishopsgate, EC, 12. Rolls-Royce Motors, Churchill Hotel, Portman Square, 12.

Myson Group jumps to £2.1m

IN LINE with the substantial improvement forecast in the last annual report, pre-tax profits of Myson Group jumped from £1.25m to £2.1m for 1979, on turnover up by £11.4m to £58.31m. The group designs and manufactures heating, ventilating, air conditioning and industrial heat-transfer equipment.

When reporting first-half profits ahead at £1.13m (£0.73m), the directors said the encouraging treod bad continued into the second period and the order position remained buoyant.

The full year's result was struck after writing off research and development expenditure of £346,731, which reflects a change in accounting policy with all research and development costs now written off in the year in which they occurred. Comparatives are restated.

Interest charges increased from £1.42m to £2.2m. After a tax credit of £52,397 (£69,134 charge) earnings per 10p sbare were lifted from 12.34p to 22.44p. A net final dividend of 2.3p makes a total payment of 3.8p, against 2.75p.

Available profits are redneced to £1.84m by capital losses of £10,627 and by creating an additional provision of £0.3m in respect of guarantees given by tha group in 1976 on behalf of CTC, the foreign subsidiary in liquidation.

VARNAMO RUBBER

The Varnamo Rubber Company (UK) bas been establisbed as the UK marketing subsidiary of AB Varnamo Gummifabrik, of Sweden.

The parent company is an establisbed manufacturer of rubber sheet, mouldings and extruded rubber products for the Swedisb and other markets, with worldwide sales of £12.5m.

Hawker Siddeley down to £108m as strikes take toll

INDUSTRIAL UNREST in the UK and the upward movement of oil and other base commodity prices worldwide were reflected in pre-tax profits of *Hawker Siddeley Group*, the engineering concern, which fell from e record £118m to £107.8m for 1979. Sales improved from £1.01bn to £1.11bn, although direct exports from the UK dropped from £361m to £314m.

At the halfway stage, when pre-tax profits were down from £55.6m to £53.1m, Sir Arnold Hall, the cbairman, warned that tha second six months would bave to carry the cost of the national engineering strike which sffected the majority of the group'a UK-based units.

On a current cost basis, in accordance with SSAP 16, 1979 pre-tax profits were down to £57.7m, against £85.9m previously. After tax and minorities, profits attributable to Hawker were £18.6m (£42m).

Historical trading profits slipped from £105.1m to £101.2m for the year, struck before redneced interest receivable of £6.6m (£12.3m).

A divisional anlaysis of sales and trading profits shows: electrical engineering £517m (£432m) and £42.5m (£38m); mecbanical engineering £383m (£407m) and £37.1m (53.2m), and Hawker Siddeley Canada—mainly mechanical angineering —£210m (£168m) and £21.6m (£14.5m) respectively.

With SSAP 15 applied, tax charge decreased from £38.7m to £31m and net profits came out at £76.8m against £79.3m. Earnings per 25p sbare are given down at 32.2p (36p), but the dividend total is increased from 7.5p to 8p net with a final of 5p.

There were extraordinary debits of £7.9m (£27.1m credits). Unfavourable sterling conversion of overseas net assets at £7.9m was slightly bigher than the previous year's £7.3m. However, a net surplus of £33.5m arose last time from the excess of compeanstion over the book amount of sbares in the group's former UK aerospace companies.

The cbairman says that 1979 was a year in which major issues affected almost every part of the business.

Political changes in a number of major markets, such as those in Iran, affected the group's business in many parts of the world. The upward movement of oil and other base commodity prices brought besitation in demand as customers sought adjustment to the new conditions.

In the UK, national industrial action, particularly the transport and engineering strikes, was aggravated by the more local unrest which the background of national dissension brought with it.

"The cost of this background shows as a reduction in the UK's competitiveness in international markets which leads the customer to place business in other countries."

The strengthening of sterling bas added to this effect and as a result, a number of downward capacity adjustments bad to be made during 1979 in UK operations.

Net cash in band at the year end was £83.8m, against £153.2m a year earlier. During 1979, capital expenditure on fixed assets totalled £59.8m.

See Lex

HIGHLIGHTS

The new tap this morning looks sure to be sold at a premium over the mininum tender price after the strong rise in the market yesterday. On the company front Lex looks at three main stories. Rio Tinto-Zinc produced a better-than-expected result with a strong performance in the UK and generally higher metal prices sausing a surge in pre-tax profits to £453m. Hawker Siddeley's profits are down but the underlying performance in the UK is even worse than the bald figures suggest. Finally Lex comments on the figures from Burmah Oil which celebrates a massive jump in profits with a 5p final dividend. On the inside pages W. H. Smith's results are disappointing and Servis washing machine manufacturer Wilkins and Mitchell, ran into tronble in its second half.

Owen Owen down by £365,000

A DROP of £365,000 in pre-tax profits is reported by Owen Owen, departmental stores, for the 52 weeks to January 26, 1980, and this is mainly due to a 40 per cent fall in the Canadian operations.

Profit before tax was £2.58m against £2.95m from sales up from £98.14m to £100.15m, excluding VAT. The company reported a loss of £210,000 against £95,000 profit at tha balfway stage.

After tax slightly higher at £880,000 against £661,000, stated earnings per 25p share are up from 19.67p to 19.86p, and have been calculated oo profit before extraordinary items, after excluding prior period tax adjustments comprising 1980—£6,000 charge, 1979—£345,000 credit. The final divideod is raised from 2.5008p to 2.7p, making the total 3.7p against 3.1908p.

Extraordinary credits of £780,000 (£609,000) represent in both years, profits less losses on disposal of property interests and, in 1979, the settlemeot of a Canadian property expropriation claim, after tax adjustmeot and, in 1979, minority intereets.

Interest charge leaves W. H. Smith £1.6m lower

AFTER AN interest charge of £2.12m against interest receivable of £0.92m, taxable profits of W. H. Smith and Son (Holdings) fell to £18.62m in the 52 weeks to February 2, 1980, compared with £20.19m for 52 weeks last time.

Pre-tax profits declined from £4.08m to £2.93m in the first eight months, and directors said then that, if the present increase in retail sales continned through the important Christmas period, results for the final four months would be better than those of the corresponding period in 1978-79.

In the event, retail margins were affected by an nnusually competitive Christmas period and taxable profits for the final four months slipped back to £15.69m (£16.11m).

The dividend is liftad from 3.133p to 4.2p net with a final of 2.8p.

Group sales went ahead from £474.13m to £570.85m and at the trading level, profits were np from £19.61m to £20.71m after charging depreciation of £7.02m (£4.84m), and an exchange loss of £0.52m (£0.19m gain), and crediting profits from the sala of properties of £1.03m (£0.78m).

Profits of retail newsagents, booksellers and stationers rose from £15.86m to £18.28m and a new DIY operation, acquired in March 1979, produced £1.09m, in line with expectations.

But the surplus from wholesale newspapers and magazines fell to £3.9m (£4.39m) and losses of wholesale book selling deepened from £0.99m to £3.02m.

Advertising contracting produced profits of £0.35m).

The substantial interest charge this time reflects the financing of additional working capital and the acquisitio nof LCP Homecentres.

Tax takes £4.93m (£2.35m) and after minorities' profits of £10,000 and an extraordinary debit of £561,000 last time, the net surplus emerges at £13.68m (£17.27m). Earnings per 50p share are shown at 16.2p (21.1p) before the extraordinary item and 16.2p (20.4p) after.

● comment

Yesterday's disappointing figures from W. H. Smith sent the share down 14p to 132p; pre-tax income fell almost 8 per cent after resting on a plateau since 1978. No fewer than five major factors contributed to the unfortunate showing, the most significant being a £3m loss in the gronp's book wbolesaling division. About balf of this loss occurred in the States where management problems and a flat market cost dearly. Meanwhile, a second expense for W. H. 5mith was the £2.1m interest charge inspired mostly by its investment in the DIY sector. This was partly offset by a £1m first-time contribution from this new interest. The Christmas period was not particularly good and although retailing earnings rose 15 per cent, margins were squeezed by the group'a price-cutting campaign. Records, toys and games were particular problems. Distribntion difficulties and a lack of cover price caused a drop in newspaper and magazine wholepaper profits. Finally, the group suffered a currency loss of £½m on the conversion of assets in North America. The dividend has been increased by a third and yields 4.6 per cent while the p/e comes to nearly 8 on stated earnings.

Dewhirst higher at £1.68m

DESPITE MORE difficult trading conditions following the VAT increase, I. J. Dewhirst Holdings, maker and wholesaler of clothing, continued its progress in the second half of 1979-80 and pre-tax surplus for the year ended January 18, 1980, reached a record £1.68m, compared with £1.3m, on turnover up from £15.28m to £18.26m. First-half profits had risen from £0.6m to £0.78m.

Earnings per 10p share are shewn up by 1.75p to 10.38p and the dividend total is effectively lifted from 1.1775p to 1.8p net, with a final of 1.3p. A one-for-three scrip issue is also proposed.

Tax for the year increased from £146,800 to £218,900.

Wilkins & Mitchell tumbles

LOSSE5 OF £511,000 in the second half, mainly due to the engineering dispute and an internal strike, left Wilkins and Mitchell with pre-tax profits of £7,000 for 1979. This compares with £939,000 for the previous 39 weeks.

Trading profits of the group, which makes 5ervis domestic appliances and power presses, amounted to £652,000. Last time the surplus was £744,000, excluding losses of £441,000 for the Australian subsidiary which went into receivership in December 1978.

Interest charges jumped from £202,000 to £530,00. Exceptional debits this time of £115,000 included £146,000 redundancy costs. In the previous 39 weeks there were credits totalling £838,000 which included £1,05m relating to adoption of new term of maintenance contracts.

Mr. Henry Wilkins, chairman, says the second half was marred by the national engineering dispute wbich affected both divisions. In addition, the annual wage review based on productivity caused the first strike for five years in the washing machine plant wbich stopped production for five weeks.

The cost of these dispntes resulted in an estimated loss of profit of more than £1m, be adds.

A net final dividend of 1.46p gives a total for the year of 2.21p, compared with 1.66p for the previous nine months. Earnings per 25p share are given as 4.3p (9.4p).

● comment

Coming on top of the engineering strike the fiva weeks dispute at Servis wiped out Wilkins and Mitchell's second balf trading profits and after a befty jump in interest charges there is a £511,000 pre-tax loss for the closing six months. The number of washing machines and dryers produced fell by 47,000 to around 250,000 and a measure of the problems can be gauged in tha divisional split. Power Press manufacture normally chips io about a quarter of profits but last year it accounted for about balf. With the sbsence of strikes W and M's profits should look much batter in 1980. Yet sight of that extra interest charge could make some followers of the company wince. W and M has borrowed a further £2m to finance iocreased capacity, wbicb stirs memories of earlier expansion plans and the resulting cash flow problems. The outlook for washing machine sales generally in the UK is flat so while recovery may be in band any real advance for Servis looks unlikely. Meantime power presses have a large export contant and margins bave inevitably come under pressure. Evidently a good start has been made to tha current year but at 26p where tha market capitalisation is only £1.66m and the yield is nearly 13 per cent it is hard to feel confident over the long term.

DIVIDENDS ANNOUNCED

	Current payment	Date of payment	Corre-sponding div.	Total for year	Total last year
Wm. Baird & Co.	7	July 1	5.04	12.25	10.37
Barrow Hepburn	1.4	June 6	1	2.2	1
Beauford Group	2.75	—	2.53	4.15	3.73
Berwick Timpo	4	Sept. 15	1.57	6	3.33
Burmah Oil	5	July 3	nil	6.5	nil
I. J. Dewhirst	1.3	July 1	0.8*	1.8	1.18*
Downiebrae Hldgs.	2.1	July 1	1.81	3	2.56
Gopeng Consid. int.	6	July 2	5	—	25
Hawker Siddeley	5	July 3	2.46	8	7.5
High Gosforth Park	14	—	12	14	12
Holyrood Rubber	28	May 30	28	42	40
Hong Kang (Selangor)	30	May 30	20	38	28
Kalamazoo int.	1.25‡	May 22	1.11	—	3.75
Kuala Selangor	8	May 30	7	12	9.5
Llanread int.	1	May 27	1	—	3
Martonair Intl. int.	1.95	May 15	1.75	—	6.75
Myson	2.3	June 4	1.5	3.8	2.75
Owen Owen	2.7	June 13	2.5	3.7	3.19
Parambe	0.5	—	0.4	0.5	0.4
Portals	6.75	July 1	4.94	—	8.79
Provident Lifa	5.6	June 2	5.02	10.2	9.12
Richardsons Westgarth	2.45	July 1	1.5	3.5	2.55
Rio Tinto-Zinc	10.5	July 1	8	15	11.5
Wm. Sindall	4.5	July 10	4.47	4.5	4.47
W. H. Smith	2.8	July 7	2.34	4.2	3.13
Sun Life Assnce. 1st int.	3.75	July 1	1.91	—	6.54
Sun Life Assnce. 2nd int.	3.75	Dec. 31	nil	—	6.54
Wilkins & Mitchell	1.46	June 23	0.91§	2.21	1.66§

Dividends shown pence per share net except where otherwise stated.

* Equivalent after allowing for scrip issue. † On capital increased by rights and/or acquisition issues. ‡ To reduce disparity. § For 39 weeks.

Burmah's dividend well above forecast as profits soar

A 293 PER CENT pre-tax profil increase and a final dividend well in excess of forecast are reported by Burmah Oil Company for 1979.

At mid-term, when profits were ahead from £2.78m to £20.19m, the company re-entered the dividend list with an interim payment of 1.5p net. The directors said then that they expected to recommend a final dividend of not less than the interim amount. In the event the final is 5p on profits £50.21m, higher at £87.34m.

The year's operating profit, at £82.97m (£28.84m), included an exceptional credit of £12.97m and was after charging depreciation, depletion and amortisation of £23.91m (£19.98m).

Last July the company reached settlement agreements with Pertamina and other parties, with certain of which Burmah had joint venture arrangements dissolved and all associated litigation between Burmah and the various partfes terminated.

As e result, provisione forming the exceptional credit, mainly in respect of past charter hires, were released to profits. The effect nf this was to convert a £8.51m (£22.92m) loss on shipping to a profit ot £4.46m. The trading improvement reflects a further reduction in the number ot vessels and higher market rates.

Other than shipping, a hardening of oil retail prices enabled the UK refining and fuels marketing business to make a positive contribution to operating profits for the first time in many years. Castrol improved its profits both in Britain and overseas, while the group's interest in the Thistle oilfield contributed some £13m as production continued to rise. Halfords, Quinton Hazell and tha industrial products and engineering groups all improved their performance.

Earnings per £1 stock unit jumped from 4.71p to 29.92p, after tax of £22.65m (£8.5m) and minority profits of £649,000 (£871,000).

There were extraordinary credits this time of £4.97m, compared with dablts of £3.42m,

See Lex

Further recovery for Richardsons Westgarth

FURTHER RECOVERY was achieved by Richardsons Westgarth and Co. in the second helf of 1979 and tha gronp ended the year with a pre-tax surplus of £1.37m, against a loss of £0.64m previously. In the first six months there was a turnround from a deficit of £0.31m to profits of £0.41m.

The engineering services and stockholding end merchenting ectivities increased their profits for the year. Losses were reduced at the Humber Greving Dock and Engineering Co., while there was a smell deficit at R. W. Transmissions.

Turnover rose £8.2m to £45m. Interest payable was halved from £0.28m to £0.14m and the 1978 loss included en exceptional debit of £0.39m.

Earnings per 50p share are given as 10.3p, compared with a 2.3p loss. The dividend total is raised from 2.55p to 3.5p net, with a finel of 2.45p (1.5p)—an increased finel had been foreshadowed et the interim stege.

• comment

The market was impressed by Richardson Westgarth's strong second half, which left year-end profits £2m ahead of 1978, and the shares rose 5p to 39p. They yield 13.7 per cent, of which one beneficiary is M and G, bolding some 20 per cent. The loss elimlnation looked for at the interim is continuing. Humber Graving Dock, following retrenchment, probably halved its 1978 loss, which stood between £1m and £2m. It mey he at break-even hy the end of the current year, with the compeny seeing a heelthy inflow of business. Engineering manufacture was slack, with the only useful profits from boilermaking, but stockholding end merchanting continned strongly. The fully-taxed p/e is a historic 8.4 which looks modest if loss elimination is carried through.

All divisions help lift Portals to record £11m

RECORD SALES and profits for 1979 are reported by Portals Holdings, the banknote and security paper, and water treatment and engineering group. The directors say they have set their eights at a higher target for the current year, but its achievement must be subject to some of the influences of the current economic scene.

The pre-tax surplus rose by 15 per cent to £11m in 1979, on turnover, excinding inter-company sales, 21 per cent higher at £100.62m. These increases reflect progress in all divisions.

Mid-term taxable profits were up from £4.11m to £4.51m.

The net total dividend is raised from 8.79405p to 11p, with a finel of 6.75p. Earnings per 25p share are showo to have advanced by 60 per cent to 40.3p (25.19p). Net asset value per stock unit is given as 212p (188p).

The reduced tax charge of £3.66m (£5.01m) reflects a £1.16m credit arising from the release of the deferred tax provision for UK stock relief for 1973 end 1974.

On a CCA basis, the pre-tax surplus was reduced to £8.09m for 1979, with stated earnings per share at 24.18p.

Trading profits ot the papermaking division rose by 11 per cent to £5.63m, on sales 20 per cent ehead at £29.14m. Demand for security paper products wes strong by the year-end and the trend has continued.

The directors look forward to reaping some benefits from the major capital expenditure at Overton Mill.

In water treatment and engineering, turnover and profits both increased by 20 per cent to £75.72m and £5.16m respectively. Opportunities for further improvement in 1980 ere seen.

Property profits advanced from £604,000 to £960,000, on turnover of £1.95m, against £1.05m.

Liquidity declined hy just over £2m during the year, due to acquisitions and expenditure on modernisation and renewal of fixed assets.

	1979 £000	1978 £000
Turnover*	100,615	82,944
Profit before tax	11,002	5,566
Tax	3,662	5,006
Minorities	35	68
Extraordinary debits	552†	1,498
Attributable	6,753	2,994
Preference dividends	32	32
Ordinary dividends	1,985	1,557
Retained	4,736	1,405

*Excluding inter-company sales †Including goodwill write/offs arising from minor acquisitions by water treatment and engineering division in 1979

The group moves into 1980 with negligible gearing and comfortable liquidity, the directors say.

• comment

Profit growth at Portals exceeded 10 per cent for the eighth consecutive year end the thinly traded shares gained 6p to 282p on news of last year's 15 per cent profit rise. The company's drive for export markets to compensete for the decline of UK spending on water treatment plants is paying off and further growth is expected from forays into the U.S. market with specialised systems and the acquisition in February of Wright Chemical in Chicago. The group does well everywhere on repeat sales of chemicals for its plants. On the papermaking side, all the main emerging competitore to American Express for the world travellers cheque market have opted for Portal's mould-made watermark paper. The Bank of England, which takes 15 to 20 per cent of the group's paper output, is about to launch a £50-pound note but the Treasury may launch a £1 coin, which makes Portals rather nervous. The group has en undemanding rating with the price et 8.8 times fully texed earnings and the yield at 6.15 per cent. CCA pre-tax profit is a strong £8.1m.

Wm. Baird sees 43% advance and expects further progress

REFLECTING improvements in both its major divisions and a sharp increase in investment income, William Baird and Company, textiles, engineering and investment group, reports e rise of some 43 per cent in 1979 pre-tax profits to £7.81m against £5.46m.

Treding in the first querter of 1980 has not been unsatisfectory, sey the directors, and this encourages their view that some further progress can be made during the yeer, supplemented if opportunities arise by strategic acquisitions.

As indicated at midway, the final dividend is 7p, making e net total of 12.25p compared with 10.3651p.

In a yeer which the directors sey was merked by unusuelly wide swings in consumer demand, profits of the textiles side rose £4.02m to £5.45m. Although the prospect for 1980 is even less inviting than it was for 1979, the textiles division is stronger and more competitive and hopes to show some further improvement in its performence.

Wilfred Verber, ecquired in July, found conditions difficult in the second half but produced an operating profit of £370,000 and is now well established in the group, say the directors.

Another acquisition, Spiro Household Textiles, was completed recently for £498,000 cash.

Industrial division profits rose from £2.1m to £2.46m, and the directors say they have good reason to hope that 1980 will show similar results.

The reduction in construction site activity reached a significant level by the end of the year, and conventional insulation contracting remained the major contributor to profit for the division. Manufacturing output increased due to penetration of new markets.

Investment income jumped from £0.46m to £1.51m, including dividends received from Dawson International of £0.56m (£0.37m), and the services division produced £448,000 (£332,000) hetore deducting attributable interest of £325,000 (£189,000).

The three compenles which made up the services division hava now been sold separately, realising £1.2m after ell expensce — a sum equivalent to the net asset value.

Group turnover advanced from £116.94m to £136.99m, and the taxehle surplus is struck after central expenses of £350,000 (£318,000) and interest charges of £1.71m (£1.13m).

After tex of £2.3m (£1.63m) and minorities' profit of £17,000 (£20,000 loss), stated earnings per £1 share ere 33.3p (23.3p). Dividends ebsorb £2.02m (£1.71m).

An extraordinary credit of £9.69m (£6,000) includes the £10.06m surplus realised from the sele of Dawson International in April 1979 efter providing £1m for possible tax liability.

Net asset value per share at the balance date was 225p (207.3p) and at £13.25m, cash, deposits and other immediately realisable assets exceeded total debt by £4.4m.

• comment

A creditable performance from William Baird pushed the share price up 5p to 157p where the p/e on stated earnings is 4.5 and the yield 11.7 per cent. This is in line with the sector average but the company probably deserves more given the reassuring stetement, the healthy cash position and the fect that it has outperformed most of its textile competitors. Much of the improvement is due to the benefits of cutting out many of the marginal production units in the textiles division but there was also useful input from Verber, the new acquisition, which contributed £370,000. Darchem, the industriel arm, also made solid progress while investments were boosted by the income from Dawson up to the time the stake was disposed of. Supported by the textile links with Marks and Spencer and the highly liquid position Belrd should be able to meke continued progress in both major divisions—despite the difficulties in store.

Reduced borrowings help push Barrow Hepburn over £3m mark

ALTHOUGH TRADING conditions were more difficult second-helf 1979 pre-tax profits at £1.59m against £0.8m exceeded hy £0.13m those of the first six months, giving Barrow Hepburn Gronp a full year figure well up at £3.04m compared with £1.57m. Turnover improved from £34.81m to £36.02m for the year.

The pre-tax result benefited from reduced interest charges of £0.38m, against £1.43m, arising from the lower level of borrowings. Share of associates' profite increased from £0.28m to £0.44m.

Against a forecast of not less than 1.2p, the final dividend is raised to 1.4p (1p) making a total of 2.2p—no interim was paid in 1978. Earnings per 25p share roee sharply from a restated 2.73p to 7.87p.

With SSAP 15 applied, tax for the year took £1.04m (£0.83m). There were no minorities against £5,000 last time and extraordinary debits fell from £1.79m to £6,000. Comparetives have been adjusted.

Net unrealised exchange loeses of £558,000 from the translation of overseas opening net essets at year-end rates will he dealt with as a movement in general reserves.

• comment

After 1978's asset striptease, Barrow Hepburn would seem to have settled down and trading profits earned only marginally forward. The slashed interest charge has resulted in almost doubled pre-tax profits, and an impressive 31 per cent pre-tax return on net capital employed. With only 4 per cent gearing, there is clearly justification for Barrow's intention to extend itself by acquisition, further diversifying out of its traditional leather interests. Almost half Barrow's profits come from overseas, and sterling's strength coupled with national disputes hitting its mejor foreign subsidiary in Italy held back profits. The settlement reached in Italy should help the current year along, and on a 9.6 per cent yield at 34p, up 1p, the fully-taxed historic p/e of 5.4 looks undemanding.

STOCKBROKERS CHANGE NAME

Sandelson and Co., the stockbroking firm, is to change its name to Bone Fitzgerald and Co.

A former chairman of the firm, Mr. Alen Knapp, was expelled from the Stock Exchange in 1978 following controversial dealings in a Hong Kong broking company owned jointly by Mr. Knapp and Sandelson.

Mr. Christopher Bone, who took over the chair from Mr. Knapp in 1977, retains his position. A number of other members of the firm have also been appointed directors.

SPAIN

April 16	Price %	+ or −
Banco Bilbao	222	−2
Banco Central	244	+2
Banco Exterior	206	
Banco Hispano	217	−3
Banco Ind. Cat.	128	
Banco Madrid	152	
Banco Santander	259	
Banco Urquijo	150	
Banco Vizcaya	230	−2
Banco Zaragoza	208	
Dragados	100	
Espanola Zinc	62	
Fecsa	58.5	
Gal. Preciados	30	+1
Hidrola	64.7	+0.7
Iberduero	59.5	+0.3
Petroleos	109	+0.3
Petroliber	59	
Sogefisa	107	
Telefonica	54	
Union Elect.	83.7	+0.2

General Mining/Union Corporation Group

GOLD MINING COMPANIES' REPORTS FOR THE QUARTER ENDED 31st MARCH 1980.

Western Transvaal

BUFFELSFONTEIN GOLD MINING COMPANY LIMITED

Issued Capital—11,000,000 shares of R1 each

Operating Results	Quarter ended 31st Mar. 1980	Quarter ended 31st Dec. 1979	Nine months ended 31st Mar. 1980
Gold			
Mined (Ca)	214,493	217,961	663,999
Ore milled (t)	800,000	798,000	2,382,000
Gold recovered (kg)	6,432·197	6,567·482	19,410·613
Yield (g/t)	8·04	8·23	8·15
Working revenue (R/t milled)	135·40	90·02	98·20
Working costs (R/t milled)	41·34	40·73	40·46
(R/Ca mined)	154·19	149·13	145·13
Income (R/t milled)	94·06	49·29	57·75
Price received on Gold Sales (R/kg)	16,840	10,869	12,052
($/oz)	641	408	455

The above figures include ore processed by Stilfontein Gold Mining Company Limited.

Uranium			
Pulp treated (t)	761,000	771,000	2,303,000
Oxide recovered (kg)	152,700	151,500	457,000
Yield (kg/t)	0·201	0·197	0·198
Financial Results (R'000)			
Gold—Working revenue	108,318	71,833	233,921
—Working costs	33,074	32,504	96,368
—Income	75,244	39,329	137,553
Uranium—Income	1,582	6,717	12,238
Sundry Mining Income—Net	131	115	391
Sundry Non-Mining Income—Net	900	366	1,757
Tribute and Royalty Payments—Net	(4,999)	(2,830)	(10,339)
Income before Taxation and State's Share of Income	72,858	43,697	141,600
Taxation and State's Share of Income	40,546	21,740	73,567
Income after Taxation and State's Share of Income	R32,312	R21,957	R68,033
Capital expenditure—Quarter	7,040	7,707	19,142
—Commitments	15,294	15,882	15,294
—Remainder of Year	14,672	23,619	14,672
Dividends—Declared	—	17,600	17,600
—Cents per share	—	160	160
Loan Levy	2,963	1,586	5,379
Development			
Advanced (m)	15,503	16,874	49,174
Sampled (m)	1,519	2,217	5,769
Channel Width (cm)	128	119	119
Average value—Gold (cm.g/t)	1,548	1,437	1,489
—Uranium (cm.kg/t)	41·73	47·55	48·52
Payable			
Metres (m)	1,269	1,497	4,041
Percentage	83·4	67·6	70·0
Channel Width (cm)	124	107	110
Value—Gold (g/t)	13·85	16·43	16·07
(cm.g/t)	1,720	1,763	1,763
—Uranium (kg/t)	0·350	0·503	0·465
(cm.kg/t)	43·35	53·82	51·17

REMARKS

Sinking of the Strathmore upcast shaft has progressed to 401.6 metres below collar. Preparatory work for the sinking of the Strathmore downcast shaft is on schedule.

STILFONTEIN GOLD MINING COMPANY LIMITED

Issued Capital—13,062,920 shares of 50 cents each

Operating Results	Quarter ended 31st Mar. 1980	Quarter ended 31st Dec. 1979
Gold		
Mined (Ca)	136,534	152,275
Ore Milled (t)	480,000	493,000
Gold recovered (kg)	4,320·000	4,198·344
Yield (g/t)	9·00	8·52
Working revenue (R/t milled)	156·72	94·60
Working costs—(R/t milled)	42·25	42·65
—(R/Ca mined)	148·53	138·07
Income (R/t milled)	114·47	61·95
Price received on Gold Sales—(R/kg)	17,330	10,891
($/oz)	664	408

The above figures exclude ore milled for Buffelsfontein Gold Mining Company Limited.

Financial Results (R'000)		
Gold—Working revenue	75,224	46,638
—Working costs	20,279	21,024
—Income	54,945	25,612
Sundry Mining Income—Net	13	20
Sundry Non-Mining Income—Net	482	198
Tribute and Royalty Payments—Net	(4,500)	(2,650)
Income before Taxation and State's Share of Income	50,946	23,178
Taxation and State's Share of Income	31,411	13,152
Income after Taxation and State's Share of Income	R19,535	R10,026
Capital Expenditure—		
Quarter	1,096	1,677
Commitments	90	10
Remainder of year	2,964	—
Dividends—declared	—	13,063
—cents per share	—	100
Loan levy	2,093	587
Development		
Advanced (m)	8,163	7,797
Sampled (m)	1,185	1,665
Channel width (cm)	25	25
Average Value—Gold (cm.g/t)	1,527	1,693
—Uranium (cm.kg/t)	24·22	24·30
Payable		
Metres (m)	975	1,407
Percentage	82·3	84·5
Channel width (cm)	22	28
Value—Gold (g/t)	80·7	73·3
(cm.g/t)	1,791	1,913
—Uranium (kg/t)	1·234	1·038
(cm.kg/t)	27·39	27·10

Development Summary
For the three months ended 31st March 1980

Total Development	Metres Advanced	Metres Sampled	Channel Width cm.	Gold g/t	Gold cm.g/t	Uranium kg/t	Uranium cm.kg/t
Reef							
Vaal	1,316·7	1,068	22	76·7	1,672	1·207	26·31
Ventersdorp Contact	112·5	117	58	3·5	203	0·089	5·13
Commonage	—	—	—	—	—	—	—
Livingstone	—	—	—	—	—	—	—
Totals	1,429·2	1,185	25	69·4	1,527	0·957	24·22

Payable Development	Payable Metres	Percentage payable	Channel Width cm.	Gold g/t	Gold cm.g/t	Uranium kg/t	Uranium cm.kg/t
Reef							
Vaal	975	82·3	22	80·7	1,791	1·234	27·39
Ventersdorp Contact	—	—	—	—	—	—	—
Commonage	—	—	—	—	—	—	—
Livingstone	—	—	—	—	—	—	—
Totals	975	82·3	22	80·7	1,791	1·234	27·39

CHEMWES LIMITED

(A subsidiary of Stilfontein Gold Mining Company Limited)

	Quarter ended 31st Mar. 1980	Quarter ended 31st Dec. 1979
Uranium		
Pulp treated	859,000	873,000
Oxide recovered	168,838	165,536
Yield	0·20	0·19
Financial Results (R'000)		
Net loss	3,458	1,561
Capital Expenditure		
Quarter	816	12,391
Commitments	1,323	2,139

REMARKS

The increase in the net loss was due to the fact that there was no revenue during the quarter whereas there was a small sale at the end of the previous quarter.

WEST RAND CONSOLIDATED MINES LIMITED

Issued Capital—4,250,000 shares of R1 each
— 25,000 deferred shares of R2 each

Operating Results	Quarter ended 31st Mar. 1980	Quarter ended 31st Dec. 1979
Gold		
Gold Section		
Mined (Ca)	39,975	35,519
Ore Milled (t)	181,500	140,000
Gold recovered (kg)	485·182	428·042
Yield (g/t)	2·67	3·06
Uranium Section		
Mined (Ca)	112,942	101,366
Ore Milled (t)	261,000	297,000
Gold recovered (kg)	142·943	119·497
Yield (g/t)	0·55	0·40
Working revenue (R/t milled)	22·58	13·49
Working costs—(R/t milled)	28·64	26·33
—(R/Ca mined)	82·86	84·06
Income (loss) (R/t milled)	(6·06)	(12·84)
Price received on Gold Sales—(R/kg)	15,791	11,356
—($/oz)	604	427
Uranium		
Mined (Ca)	112,942	101,366
Pulp treated (t)	261,900	295,000
Oxide recovered (kg)	90,800	95,986
Yield (kg/t)	0·347	0·325
Financial Results (R'000)		
Gold—Working revenue	9,990	5,894
—Working costs	12,671	11,506
—Income (loss)	(2,681)	(6,612)
Uranium—Income	6,301	11,040
Sundry Mining Income—Net	4	4
Sundry Non-Mining Income—Net	41	(8)
Tribute and Royalty Payments—Net	(764)	(148)
Income (loss) at Mine	2,901	5,276
State Aid	(385)	(2,412)
Income (loss) before Taxation	2,518	2,864
Taxation	14	—
Income (loss) after Taxation	R2,502	R2,864
Capital Expenditure—Quarter	177	1,714
—Commitments	218	203
—Remainder of Year	1,863	—
Dividends—declared—Ordinary	—	425
—Deferred	—	142
—cents per share—Ordinary	—	10
—Deferred	—	667
Loan levy	—	—
Development		
Uranium Section		
Advanced (m)	5,654	6,000
Sampled (m)	2,735	2,692
Channel Width (cm)	58	66
Average value—Uranium (cm.kg/t)	57·47	63·88
—Gold (cm.g/t)	150	131
Payable		
Metres (m)	1,058	1,052
Percentage	38·7	39·1
Channel Width (cm)	69	70
Value: Uranium—(kg/t)	1·694	1·483
—(cm.kg/t)	94·93	102·18
Gold—(g/t)	3·67	2·56
—(cm.g/t)	206	178
Gold Section		
Advanced (m)	1,108	852
Sampled (m)	353	398
Channel Width (cm)	89	83
Average Value: Gold (cm.g/t)	1,110	1,127
Payable		
Metres (m)	173	95
Percentage	48·9	23·9
Channel Width (cm)	108	98
Value—Gold—(g/t)	17·65	29·19
—(cm.g/t)	1,910	2,868

REMARKS

Of the 181,500 tons milled in the gold section, 25,000 tons were from surface dumps at an average recovery grade of 1.2 grams per ton. In the uranium section the effects of increased sorting by means of radiometric sorters are shown in the lower tonnage treated and the higher recovery grade.

Eastern Transvaal

THE GROOTVLEI PROPRIETARY MINES LIMITED

Issued Capital 11,438,816 stock units of 25 cents each.

OPERATING RESULTS:	Quarter ended 31st Mar. 1980	Quarter ended 31st Dec. 1979
Ore Milled (t)	415,000	415,000
Gold produced—kg.	1,577	1,728
Yield—(g/t)	3·8	4·2
Price received on gold sales:		
R/kg.	16,588	11,387
$/oz.	636	428
Revenue per ton milled	R63·27	R47·76
Cost per ton milled	R21·40	R19·89
Profit per ton milled	R41·87	R27·87
Working revenue	R26,257,000	R18,820,000
Working costs	R8,879,000	R8,256,000
Working profit	R17,378,000	R11,564,000
Net sundry revenue	R23,000	R139,000
PROFIT before taxation	R17,401,000	R11,703,000
Taxation	R9,938,000	R6,333,000
PROFIT after taxation	R7,463,000	R5,370,000
Net capital expenditure	R156,000	R199,000
Dividend declared	—	R6,406,000
DEVELOPMENT (Kimberley Reef):		
Advanced (m)	1,100	1,240
Sampling results:		
Sampled (m)	669	909
Channel width (cm)	20	28
Av. value: g/t	32·2	29·3
Cm.g/t	643	819

Dividend
Dividend of 56 cents per unit of stock was paid on 22nd February, 1980.

Capital Expenditure
Amounts approved by Board but not spent R2,023,000

General
Eight boreholes have been completed in the current drilling programme to evaluate the Kimberley Reef horizon east and north east of the present extremities of the underground workings. Of the five holes drilled during this quarter three are north east of No. 4 shaft and two are north east of No. 3 shaft and their averaged results are tabulated below.

Borehole	No. of intersections	Depth (m)	True Width (cm)	Gold Assay (g/t)	Gold Value (cm.g/t)	Uranium (U308) Assay (kg/t)	Uranium (U308) Value (cm.kg/t)	Core Recovery
1367	4	569	26	0·7	18	0·033	0·861	virtually complete
1383	4	626	28	2·0	56	0·063	1·753	virtually complete
1387	4	563	28	0·7	20	0·040	1·108	virtually complete
1388	5	533	26	3·2	83	0·064	1·674	virtually complete
1396	6*	558	27	2·0	53	0·098	2·856	incomplete

*Due to a very poor core recovery only two intersections have been used in averaging.

WINKELHAAK MINES LIMITED

Issued Capital 12,160,000 shares of R1 each.

OPERATING RESULTS:	Quarter ended 31st Mar. 1980	Quarter ended 31st Dec. 1979	Six months ended 31st Mar. 1980
Ore Milled (t)	535,000	525,000	1,060,000
Gold produced—kg.	3,580	3,675	7,255
Yield—(g/t)	6·7	7·0	6·8
Price received on gold sales:			
R/kg.	15,655	10,611	13,201
$/oz.	600	406	502
Revenue per ton milled	R105·58	R76·15	R91·00
Cost per ton milled	R19·83	R18·90	R19·37
Profit per ton milled	R85·75	R57·25	R71·63
Working revenue	R56,485,000	R39,980,000	R96,465,000
Working costs	R10,609,000	R9,923,000	R20,532,000
Working profit	R45,876,000	R30,057,000	R75,933,000
Net sundry revenue	R843,000	R692,000	R1,535,000
PROFIT before taxation and lease consideration	R46,719,000	R30,749,000	R77,468,000
Taxation and lease consideration	R29,117,000	R19,004,000	R48,121,000
PROFIT after taxation and lease consideration	R17,602,000	R11,745,000	R29,347,000
Capital expenditure	R678,000	R703,000	R1,381,000
Dividend declared	R23,629,000	—	R23,629,000
DEVELOPMENT (Kimberley Reef):			
Advanced (m)	2,569	2,667	6,236
Sampling results:			
Sampled (m)	371	480	851
Channel width (cm)	57	61	59
Av. value: g/t	20·8	15·4	18·3
Cm. g/t	1,188	699	1,081

Dividend
On 14th March, 1980, Dividend No. 40 of 194 cents per share was declared to members registered at 3rd April, 1980. Dividend warrants will be posted on or about 14th May, 1980.

Capital Expenditure
Commitments in respect of contracts placed R1,708,000
Amounts approved in addition to commitments R6,399,000

General
Two boreholes have been completed during the quarter. Borehole No. 1326 drilled 1,800 metres north east of No. 5 shaft intersected Kimberley Reef at a depth of 2,026 metres. Borehole No. 1373 drilled 2,800 metres east of No. 5 shaft intersected the same reef at a depth of 593 metres.

Averaged results are tabulated below:

	No. of Intersections	Average Grade (g/t)	Average Width (cm)	Average Value (cm g/t)
No. 1326	4	1·3	39	51
No. 1373	5	7·9	213	1,673

KINROSS MINES LIMITED

Issued Capital 18,000,000 stock in units of R1 each.

OPERATING RESULTS:	Quarter ended 31st Mar. 1980	Quarter ended 31st Dec. 1979	Six months ended 31st Mar. 1980
Ore Milled (t)	400,000	400,000	800,000
Gold produced—kg.	2,320	2,320	4,640
Yield—(g/t)	5·8	5·8	5·8
Price received on gold sales:			
R/kg.	15,890	10,982	13,436
$/oz.	609	413	511
Revenue per ton milled	R92·97	R64·08	R78·53
Cost per ton milled	R24·64	R23·50	R24·07
Profit per ton milled	R68·33	R40·58	R54·46
Working revenue	R37,189,000	R25,632,000	R62,821,000
Working costs	R9,856,000	R9,400,000	R19,256,000
Working profit	R27,333,000	R16,232,000	R43,565,000
Net sundry revenue	R192,000	R212,000	R404,000
PROFIT before taxation and lease consideration	R27,525,000	R16,444,000	R43,969,000
Taxation and lease consideration	R17,078,000	R9,943,000	R27,021,000
PROFIT after taxation and lease consideration	R10,447,000	R6,501,000	R16,948,000
Capital expenditure	R100,000	R272,000	R372,000
Dividend declared	R15,120,000	—	R15,120,000
DEVELOPMENT (Kimberley Reef):			
Advanced (m)	3,079	3,413	6,492
Sampling results:			
Sampled (m)	647	795	1,442
Channel width (cm)	49	50	49
Av. value: g/t	15·9	22·2	19·6
Cm. g/t	778	1,112	962
The above includes development for No. 2 shaft area as follows:			
Advanced (m)	1,588	1,848	3,436
Sampling results:			
Sampled (m)	148	242	390
Channel width (cm)	41	27	32
Av. value: g/t	17·2	56·6	38·0
Cm. g/t	704	1,529	1,215

Dividend
On 14th March, 1980, Dividend No. 24 of 84 cents per unit of stock was declared to members registered at 3rd April, 1980. Dividend warrants will be posted on or about 14th May, 1980.

Capital Expenditure
Commitments in respect of contracts placed R21,000
Amounts approved in addition to commitments R7,109,000

BRACKEN MINES LIMITED

Issued Capital 14,000,000 shares of 90 cents each.

OPERATING RESULTS:	Quarter ended 31st Mar. 1980	Quarter ended 31st Dec. 1979	Six months ended 31st Mar. 1980
Ore Milled (t)	210,000	195,000	405,000
Gold produced—kg.	924	897	1,821
Yield—(g/t)	4·4	4·6	4·5
Price received on gold sales:			
R/kg.	15,547	10,850	13,234
$/oz.	596	408	503
Revenue per ton milled	R69·64	R50·37	R60·36
Cost per ton milled	R21·95	R21·45	R21·71
Profit per ton milled	R47·69	R28·92	R38·65
Working revenue	R14,625,000	R9,822,000	R24,447,000
Working costs	R4,609,000	R4,183,000	R8,792,000
Working profit	R10,016,000	R5,639,000	R15,655,000
Net sundry revenue	R62,000	R177,000	R239,000
PROFIT before taxation and lease consideration	R10,078,000	R5,816,000	R15,894,000
Taxation and lease consideration	R6,357,000	R3,607,000	R9,964,000
PROFIT after taxation and lease consideration	R3,721,000	R2,209,000	R5,930,000
Capital expenditure	R14,000	R12,000	R26,000
Dividend declared	R5,180,000	—	R5,180,000
DEVELOPMENT (Kimberley Reef):			
Advanced (m)	651	732	1,383
Sampling results:			
Sampled (m)	57	144	201
Channel width (cm)	22	42	37
Av. value: g/t	83·0	22·5	28·0
Cm. g/t	1,825	945	1,035

Dividend
On 14th March, 1980, Dividend No. 35 of 37 cents per share was declared to members registered at 3rd April, 1980. Dividend warrants will be posted on or about 14th May, 1980.

Capital Expenditure
Amounts approved by Board but not spent R66,000

LESLIE GOLD MINES LIMITED

Issued Capital 16,000,000 shares of 65 cents each.

OPERATING RESULTS:	Quarter ended 31st Mar. 1980	Quarter ended 31st Dec. 1979	Six months ended 31st Mar. 1980
Ore Milled (t)	280,000	260,000	540,000
Gold produced—kg.	868	884	1,752
Yield—(g/t)	3·1	3·4	3·2
Price received on gold sales:			
R/kg.	16,270	10,692	13,556
$/oz.	624	409	516
Revenue per ton milled	R50·94	R37·42	R44·43
Cost per ton milled	R22·21	R22·07	R22·14
Profit per ton milled	R28·73	R15·35	R22·29
Working revenue	R14,264,000	R9,730,000	R23,994,000
Working costs	R6,220,000	R5,738,000	R11,958,000
Working profit	R8,044,000	R3,992,000	R12,036,000
Net sundry revenue	R86,000	R62,000	R148,000
PROFIT before taxation and lease consideration	R6,130,000	R4,054,000	R12,184,000
Taxation and lease consideration	R4,993,000*	R2,305,000*	R7,298,000*
PROFIT after taxation and lease consideration	R3,137,000	R1,748,000	R4,886,000
*Includes mining tax at formula applicable to State assisted mines.			
Net capital expenditure	R18,000	R17,000	R35,000
Dividend declared	R4,640,000	—	R4,640,000
DEVELOPMENT (Kimberley Reef):			
Advanced (m)	1,370	948	2,318
Sampling results:			
Sampled (m)	426	359	785
Channel width (cm)	20	17	19
Av. value: g/t	34·6	31·1	32·5
Cm. g/t	681	529	617

Dividend
On 14th March, 1980, Dividend No. 31 of 29 cents per share was declared to members registered at 3rd April 1980. Dividend warrants will be posted on or about 14th May, 1980.

Capital Expenditure
Amounts approved by Board but not spent total R4,212,000, of which R4,137,000 is subject to approval by the Minister of Mines.

MARIEVALE CONSOLIDATED MINES LIMITED

Issued Capital 4,500,000 shares of 25 cents each.

OPERATING RESULTS:	Quarter ended 31st Mar. 1980	Quarter ended 31st Dec. 1979
Ore Milled (t)	240,000	240,000
Gold produced—kg.	360	384
Yield—(g/t)	1·5	1·6
Price received on gold sales:		
R/kg.	16,617	11,205
$/oz.	637	421
Revenue per ton milled	R24·98	R18·07
Cost per ton milled	R8·87	R8·16
Profit per ton milled	R16·11	R9·91
Working revenue	R5,995,000	R4,335,000
Working costs	R2,129,000	R1,959,000
Working profit	R3,866,000	R2,376,000
Net sundry revenue	R67,000	R17,000
PROFIT before taxation	R3,933,000	R2,393,000
Taxation	R2,229,000	R1,311,000
PROFIT after taxation	R1,704,000	R1,082,000
Capital recoupments	R1,000	—
Dividend declared	—	R2,026,000

Dividend
Dividend of 45 cents per share was paid on 22nd February, 1980.

Orange Free State

ST. HELENA GOLD MINES LIMITED

Issued Capital 9,625,000 shares of R1 each.

OPERATING RESULTS:	Quarter ended 31st Mar. 1980	Quarter ended 31st Dec. 1979	Six months ended 31st Mar. 1980
Ore Milled (t)	500,000	500,000	1,000,000
Gold produced—kg.	4,000	4,200	8,200
Yield—(g/t)	8·0	8·4	8·2
Price received on gold sales:			
R/kg.	16,519	10,924	13,654
$/oz.	633	410	519
Revenue per ton milled	R132·54	R92·08	R112·31
Cost per ton milled	R26·90	R25·48	R26·19
Profit per ton milled	R105·64	R66·60	R86·12
Working revenue	R66,270,000	R46,039,000	R112,309,000
Working costs	R13,448,000	R12,742,000	R26,190,000
Working profit	R52,822,000	R33,297,000	R86,119,000
Net sundry revenue	R532,000	R744,000	R1,276,000
PROFIT before taxation and lease consideration	R53,354,000	R34,041,000	R87,395,000
Taxation and lease consideration	R32,495,000	R20,442,000	R52,937,000
PROFIT after taxation and lease consideration	R20,859,000	R13,599,000	R34,458,000
Capital expenditure	R140,000	R190,000	R330,000
Dividend declared	R29,356,000	—	R29,356,000

DEVELOPMENT	Basal Reef	Leader Reef	Basal Reef	Leader Reef	Basal Reef	Leader Reef
Advanced (m)	1,701	178	1,874	258	3,575	436
Sampling results:						
Sampled (m)	300	67	309	68	609	135
Channel width (cm)	96	163	110	100	103	131
Av. value: g/t	12·6	4·2	12·5	6·2	12·5	5·0
Cm. g/t	1,209	690	1,372	622	1,292	656

Dividend
On 14th March, 1980 Dividend No. 49 of 305 cents per share was declared to members registered at 3rd April, 1980. Dividend warrants will be posted on or about 14th May, 1980.

Capital Expenditure
Commitments in respect of contracts placed R1,072,000
Amounts approved in addition to commitments R824,000

UNISEL GOLD MINES LIMITED

Stated Capital 28,000,000 shares of no par value.

OPERATING RESULTS:	Quarter ended 31st Mar. 1980	Quarter ended 31st Dec. 1979	Six months ended 31st Mar. 1980
Ore Milled (t)	220,000	194,000	414,000
Gold produced—kg.	1,364	1,200	2,564
Yield—(g/t)	6·2	6·2	6·2
Price received on gold sales:			
R/kg.	17,055	11,198	14,314
$/oz.	654	421	545
Revenue per ton milled	R106·00	R69·50	R88·90
Cost per ton milled	R32·20	R29·77	R31·06
Profit per ton milled	R73·80	R39·73	R57·84
Working revenue	R23,320,000	R13,483,000	R36,803,000
Working costs	R7,084,000	R5,775,000	R12,859,000
Working profit	R16,236,000	R7,708,000	R23,944,000
Net sundry expenditure	R1,505,000	R828,000	R2,333,000
PROFIT	R14,731,000	R6,880,000	R21,611,000
Capital expenditure	R246,000	R2,340,000	R2,586,000
Dividend declared	R11,200,000	—	R11,200,000

DEVELOPMENT	Basal Reef	Leader Reef	Basal Reef	Leader Reef	Basal Reef	Leader Reef
Advanced (m)	1,961	7	3,438	—	5,399	7
Sampling results:						
Sampled (m)	689	6	1,068	—	1,757	6
Channel width (cm)	165	196	154	—	159	196
Av. value: g/t	10·8	2·7	10·9	—	10·8	2·7
Cm. g/t	1,778	537	1,682	—	1,720	537

Dividend
On 14th March, 1980, Dividend No. 1 of 40 cents per share was declared to members registered at 3rd April, 1980. Dividend warrants will be posted on or about 14th May, 1980.

Capital Expenditure
Commitments in respect of contracts placed R25,000
Amounts approved in addition to commitments R177,000

BEISA MINES LIMITED

Issued Share Capital 3,825,000 shares of R1 each.

Loan Capital advanced to date R74,905,000.

Shafts
No. 1 Shaft has reached a depth of 775 metres and Nos. 2 and 3 Level stations have been cut.

Development was continued on Nos. 1 and 2 Levels from the Ventilation Shaft. So far 479 metres have been completed.

General
Construction of the surface buildings was continued. The shaft office, change houses, main office and the first of the three hostel enclaves are complete and have been occupied.

The mill foundations, silos and thickener excavations are complete and work has commenced on the uranium plant and the gold extraction plant.

Capital Expenditure
Expenditure to date on property, shafts, plant and equipment and general expenditure has amounted to R55,545,000.
Commitments in respect of contracts placed R26,899,000
Amounts approved in addition to commitments, inclusive of estimated escalation to 31st December 1980 R116,341,000
In addition to this, further escalation to be incurred will be approved annually.

NOTES:

Development values quoted above represent actual results of sampling (no allowance having been made for any adjustments which may be or were necessary) when estimating ore reserves at the end of the financial years.

All financial figures are unaudited.

As was announced by the Minister of Finance on 26th March 1980, the loan levy has been abolished.

The increase in tribute and royalty payments is entirely due to the higher gold price.

All companies are incorporated in the Republic of South Africa.

The quarterly reports have been approved and signed on behalf of the respective companies by two directors.

Copies are available from:
London Office
Princes House,
95 Gresham Street,
London EC2V 7BS.

17th April, 1980.

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MINING NEWS

RTZ earnings boosted by dearer metals

BY KENNETH MARSTON, MINING EDITOR

BRITAIN'S Rio Tinto-Zinc international mining and industrial giant has exceeded both its own expectations and those of the sharemarket with a 1979 net profit of £149.8m, equal to 59.42p per share. This compares with £102.3m, or 40.59p per share in 1978.

A final dividend is declared of 10.5p net which makes a record total of 15p compared with 11.5p for the previous year. However, it is pointed out that while the latest profit in historical terms is easily the highest achieved by the group, it falls short of the 1973 level when the reduced value of money brought about by inflation is taken into account.

	1979	1978
	£ millions	
Group sales revenue ...	2,518.6	1,953.9
Group operating profit	449.0	278.8
Associates ...	34.8	29.4
Div. interest receivable	36.7	28.1
Making ...	520.5	337.3
Interest payable ...	67.8	50.3
Group profit before tax	452.7	284.0
Tax ...	186.5	111.9
Group profit after tax	266.2	172.1
Outside holders ...	116.4	69.8
Net profit before extra. items ...	149.8	102.3
Earnings per share ...	59.42p	40.59p
Extraord. items ...	(32.9)	(9.8)
Profit after extraord. items ...	116.0	92.5
Interim div. 4.5p ...	10.9	8.4
Final div. 10.5p ...	25.6	19.4
Retained profit ...	80.0	64.3

As already underlined by the 1979 results of the group's major subsidiaries, the latest advance in earnings is mainly a result of the recovery in metal prices, notably copper, lead and gold which(in turn, have reflected world political uncertainties and the increased lark of confidence in paper currencies.

On the other hand, the strength of sterling has been almost entirely responsible for an extraordinary debit of £32.9m, compared with £9.8m in 1978, which reflected the reduced sterling value of prior years' earnings retained by the overseas sdbsidiaries.

Nearly all sectors of the group earned more last year with the controversial Rossing uranium mine in Namibia (South-West Africa) coming right. The small Wheal Jane tin operation in Cornwall which was "rescued" by RTZ in 1979 is expected to resume production by the middle of this year and reach full capacity of some 1,500 tonnes of tin per annum in early-1981 when it should become a useful profit-earner.

So far, the protracted U.S. anti-trust litigation brought by Westinghouse Electric Corporation and the Tennessee Valley Authority, claiming heavy damages against RTZ and other uranium suppliers has probably cost RTZ something over £1m. But RTZ does not consider that the eventual resolution of the litigation will adversely affect the group "to a significant extent."

Meanwhile, higher base and precious metal prices coupled with industrial peace and better iron ore prices at the big Hamersley operation will have got RTZ off to a good start this year. Although metal prices have since fallen from their earlier levels they are mostly still above the 1979 averages with the notable exception of lead.

Following the latest results, RTZ shares were marked up 17p to 380p yesterday.

A disappointment for the group was the news yesterday—reported on page 36 — that Australia's Foreign Investment Review Board has blocked the proposed Japanese participation in the group's A$500m (£245m) Australian Blair Athol coal project in Queensland.

New Alumax-BHP smelter in NSW

AUSTRALIA'S Broken Hill Proprietary says that BHP, Alumax and Mitsui have now signed joint venture agreements covering the construction and operation of a A$641m (£318m) 236,000-tonne-per-year aluminium reduction plant in the Hunter Valley region of New South Wales.

The venture will be 45 per cent-owned by the Alumax unit, Alumax of Australia, 35 per cent by the BHP's Dampier Mining and 20 per cent by the Mitsui-led Alfarl.

Construction is to begin in mid-1981 and first production is expected in January, 1984.

Unisel Gold profits jump

NET PROFITS achieved by the South African gold mines in the recently merged General Mining/Union Corporation group rose by an average 60 per cent during the March quarter—more than outstripping the 51 per cent rise in the average gold price received during the period.

The best performance came from the new Unisel mine, in which London's Selection Trust has a 34 per cent stake. Unisel's net profits jumped 114 per cent reflecting the increased ore tonnage milled which has almost reached the projected target of 75,000 tonnes per month.

	Qtr. to Mar. 31	Qtr. to Dec. 31
	U.S.$/oz	
Bracken ...	596	408
Buffels ...	641	408
Grootvlei ...	636	428
Kinross ...	609	413
Leslie ...	624	409
Marievale ...	637	421
St. Helena ...	633	410
Stilfontein ...	664	409
Unisel ...	654	421
West Rand Cons. ...	604	427
Winkelhaak ...	600	406

Stilfontein's profits showed an increase of 95 per cent thanks to a rise in the grade of ore mined, while Leslie registered a 79 per cent profits rise following increased ore production.

The only disappointing results come from West Rand Consolidated, where net profits fell 12.6 per cent, after a further repayment of State Aid, following lower uranium income and a loss on gold operations.

Average gold prices received and net profit figures are compared in the following tables:

	Mar. qtr. R000	Dec. qtr. R000	Sept. qtr. R000
Bracken ...	3,721	2,209	2,455
Buffels ...	32,312	21,957	13,764
Grootvlei ...	7,463	5,370	3,180
Kinross ...	10,447	8,501	5,309
Leslie ...	3,137	1,749	1,884
Marievale ...	1,704	1,082	918
St. Helena ...	20,859	13,599	9,758
Stilfontein ...	19,535	10,026	5,707
Unisel ...	14,731	6,880	—
W. Rand Cons	†2,502	†2,884	¶*486
Winkelhaak ...	17,502	11,745	10,139

* Loss. ¶ After receipt of State aid. † After repayment of State aid.

Inco has good first quarter

IMPROVED metal prices coupled with higher sales of nickel have lifted first quarter earnings of Canada's Inco to U.S.$97.5m (£44.4m), equal to $1.21 per share. The big nickel group also announces an increase in the quarterly dividend to 18 cents (8.2p) from 15 cents.

In the final quarter of last year earnings were $69.2m. They amounted to only $0.5m in the first quarter of 1979 because of a strike at the Sudbury, Ontario, operation and the depressed market for nickel.

During the past quarter the loss-making Indonesian and Guatemalan nickel projects reduced group earnings by $10m compared with $22m in the fourth quarter of 1979.

The performance of the Inco Electro Energy subsidiary continued to be disappointing in the past quarter because of poor business conditions in the North American automotive battery market and intense competition in the dry-cell battery markets, it is stated.

Meanwhile, the nickel industry is anticipating some falling-off in sales this year, as reported on page 39. Even so, Inco's chairman, Mr. J. Edwin Carter expects 1980 earnings to be "significantly better" than the 1979 total of $141.7m, although he warned against projecting this year's total on the basis of the high first quarter result.

GENERAL MINING

In the annual report of South Africa's General Mining group the chairman, Dr. W. J. de Villiers, comments that exploration of the Northern Transvaal coalfield has shown that in certain areas there are prospects for the economic recovery of uranium which occurs in or near the coal seams.

The coal appears to be suitable for a wide variety of uses.

Success in court could lift BACO by £10.7m

IF ANTICIPATED litigation between the British Aluminium Company and the North of Scotland Hydro-Electric Board were to be decided entirely in BACO's favour, the net effect would be an increase in pre-tax profits of £10.7m, say the directors in a note accompanying the group's 1979 accounts.

Of this total, £6m would relate to 1979 and the balance to earlier years. Because of unused tax allowances, any additional tax charge would not exceed £1.6m and would not be payable before 1984, they add.

BACO, which reported pre-tax profits down from £25.1m to £20.63m for 1979, is disputing with the board certain charges for the supply of electricity to its Invergordon smelter. Full provision has been made in the accounts, and creditors include £19.38m (£9.99m) for the disputed revenue and capital charge plus provisions, where appropriate, for interest on payments witheld.

The group, which is 58 per cent owned by Tube Investments, is looking for a modest recovery in profits in the current year, Mr. R. E. Utiger, chairman, tells shareholders in his annual statement, although the resumption of profit growth in real terms may not yet be seen.

Although the problems in UK industry must affect demand, the world market for aluminium remains very strong despite some slackening in the U.S. Production of rolled and extruded aluminium has been at a higher rate so far this year, adds the chairman, and the main threat comes from the squeeze between high inflation and interest costs and competitive pressures made more severe by the strong exchange rate.

At the year end, fixed assets amounted to £81.43m (£77.77m) and net current assets, £51.17m (£60.77m).

On a CCA basis, pre-tax profits were £7.07m (£12.16m) after additional depreciation of £10.17m (£10.73m), cost of sales £4.9m (£3.54m) and gearing adjustment £1.99m (£1.69m).

London & Strathclyde

Gross revenue of London and Strathclyde Trust improved from £336,539 to £527,889 in the six months to February 29, 1980. Net revenue, after expenses and tax, available for ordinary shareholders was £257,943 against £134,189.

Stated earnings per 25p stock unit are 1.79p (0.93p), and the net asset value is 72.2p (62.7p). As known the interim dividend is raised from 0.6p to 0.7p—last year's total was 1.8p from pre-tax revenue of £438,000. A special non-recurring dividend of 0.5p has already been paid for the current year.

OCL betters expectations with 4% growth to £38m

Overseas Containers Ltd, Britain's biggest container shipping group, has increased its 1978-79 pre-tax profits by 4 per cent to £38.1m.

Sir Ronald Swayne, chairman of OCL says that the outturn is "materially better" than anticipated. Given that the number of containers carried only rose by 6 per cent to 318,500 and total revenue was up by just 4 per cent to £360m, OCL has put up a surprisingly good performance.

Sir Ronald says that volume held up well despite increased competition and, although margins were squeezed, OCL felt the effect of this rather later than anticipated. The group, which is owned by P & O, Ocean Transport, British and Commonwealth and Furness Withy, achieved "significant savings" in both land and ship costs.

On OCL's main route, Europe-Far East, the volume of traffic grew modestly but OCL's carryings fell slightly. Revenue showed a small increase but currency fluctuations and increased costs led to lower earnings. In April 1979, OCL started calling at Jeddah on its Eastbound schedules from Europe and this has proved to be an important cushion against the downturn in OCL's Far Eastern trade.

Carryings on OCL's second most important route, Australia/New Zealand, fell slightly and competition increased. However, carryings on the Southern Africa run increased by 30 per cent and after a prolonged period of depression, this part of OCL's business seems to be on the mend.

In the current year Sir Ronald Swayne says that margins are suffering from increased competition on the existing business and profits are expected to fall below those of 1979, and the same goes for 1981.

From December, 1980, OCL will take over P and O's Europe-Arabian Gulf trades and this will lead to a reshuffle in ownership. Under the new shareholdings P and O will have 39.12 per cent, Ocean Transport 30.13 per cent, British and Commonwealth 16.88 per cent and Furness Withy 13.87 per cent.

OCL will put two of its "Encounter Bay" ships (currently being re-engined) onto the run and is considering investing in new tonnage. OCL is confident that this trade can produce attractive profits and has potential for considerable growth.

	Operating Profit £m	Containers '000 Teus
1974/5*	19.9	229
1975/6	40.6	258
1976/7	46.8	256
1977/8	35.0	301
1978/9	33.1	318

*14 months.

Downiebrae 25% ahead at year-end

WITH SECOND-HALF pre-tax profits advancing from £197,246 to £246,634, Downiebrae Holdings, ingot manufacturer, metal merchant, manufacturer of steel profiles and pipe flanges, reports a 25.4 per cent increase from £430,246 to £539,634 for 1979. This figure includes an exceptional profit on disposals of £7,594 against nil.

As forecast at the interim stage, the net final dividend is increased from 1.81p to 2.1p, making 3p against 2.56p.

After tax up from £93,146 to £128,895, stated earnings for the year per 10p share are 5.75p (4.73p), and after adjustment for deferred tax 13.9p.

The year's figures include a credit on deferred tax £580,223 (nil) and goodwill written off £139,907 (nil). The amount to reserves is up from £163,352 to £646,489.

Mr. W. G. Peacock, the chairman, says early figures for the current year are encouraging, in spite of the steel strike. He sees 1980 as a year of consolidation with the commissioning of a new factory near Birmingham, which is under construction.

Turnover for the year was higher at £5.9m against £5.15m.

Rantlodge ousts board of Nationwide Leisure

Rantlodge, a private leisure group which has acquired a 60.69 per cent stake in Nationwide Leisure, the caravan concern, turned out the present board of Nationwide and put in its own directors at an extraordinary general meeting yesterday.

But Rantlodge had to request a poll of six of the resolutions at the meeting to gain its objectives.

Polls were demanded for the removal as directors of Mr. John Gray and Mr. Richard Cox, while other polls were required for the election of all the Rantlodge-nominated directors, who were Mr. Anthony Hanson, Mr. Jeremy Muller, Mr. Vincent Cobb and Mr. Brian Gurnett.

Mr. Hanson replaces Mr. John Hutchings, chairman of Nationwide, who was removed from the board at the meeting.

Some 14,336,674 votes were cast in favour of the resolutions out of the total issued share capital of 21,973,007.

The new board was asked by shareholders to explain its plans for Nationwide and Mr. Cobb, who took the chair for the remainder of the meeting, said Rantlodge intended to broaden the base of Nationwide's leisure side.

One shareholder questioned whether all the material changes that had taken place in Rantlodge's financial or trading position since the date of its last accounts had been included in the unconditional cash offer document, issued in December 1979. Rantlodge replied that it was satisfied all material changes had been included.

In response to another shareholder's question, Mr. Cobb said the new board would consider the possibility of the minority shareholders' representation on the board.

The meeting had been called after directors of Nationwide refused to comply with Rantlodge's request to resign on January 11, the closing date of its offer for Nationwide, at which time Rantlodge held 60.69 per cent of the equity.

Mr. Granville Cutting, a Nationwide director, resigned yesterday before the motion for his removal from the board put.

Beauford in line with forecast

THE directors of Beauford Group were spot on with their mid-term forecast. At half time, when pre-tax profits were up from £289,000 to £339,000, they said that the second half would be affected by the engineering dispute but full year profits would not be less than those for 1978. In the event they were unchanged at £0.59m.

In addition to the foregoing industrial action, 1979 figures bore substantial setting up costs of the company's U.S. operation.

Turnover improved from £4.87m to £5.94m and the directors state that the order position remains strong.

An increase in tax from £31,716 to £240,472 left the year's net profit down from £555,845 to £352,709. Earnings per 10p share declined from 17.1p to 10.9p and the final dividend is 2.75p net for a 4.15p (3.73p) total, costing £134,875 (£91,478).

BOARD MEETINGS

The following companies have notified dates of Board meetings to the Stock Exchange. Such meetings are usually held for the purpose of considering dividends. Official indications are not available as to whether dividends are interims or finals and the subdivisions shown below are based mainly on last year's timetable.

TODAY

Interims:—S. Casket, Free State Geduld Mines, William Low, President Brand Gold Mining, President Steyn Gold Mining, Welkom Gold Mining, Western Holdings.

Finals:—Astbury and Madeley, Benford Concrete Machinery, Bentalls, Brocks, C.S.C. Investment Trust, Coral Leisure, De Vere Hotels and Restaurants, East Rand Gold and Uranium, Andrew R. Findlay, General Scottish Trust, Higgs and Hill, Hunting Petroleum Services, Jersey Electricity, Leadenhall Sterling, Lec Refrigeration, London and Holyrood Trust, London and Provincial Trust, Albert Martin, Midland Industries, Northern Engineering Industries, Scottish Mortgage and Trust, Towles, Yorkshire Fine Woollen Spinners.

FUTURE DATES

Interims:—

M.Y. Dart	April 22
Messina (Transvaal) Dev.	†April 21
Scottish American Investment	June 19

Finals:—

Allebone	April 25
Amalgamated Metal	April 28
Barr and Wallace Ar. Trust	May 13
Brook St. Bureau of Mayfair	April 28
Clayton, Son	April 15
Corinthian Holdings	April 23
Ellis and Goldstein	April 22
Farnell Electronics	April 22
Foseco Minsep	April 28
Harrison (T.C.)	April 30
J.B. Holdings	April 22
Scottish European Investment	May 14
Sunlight Services	April 25
Travis and Arnold	April 22
Wilson (Connolly)	April 22

†Amended

V & G—90p payout likely

THE JOINT liquidators of Vehicle and General Group, the motor insurance company which collapsed in March 1971, are to pay out a third interim dividend to creditors this month.

A further and final dividend should be paid "about the end of 1981," Mr. Paul Shewell of Coopers and Lybrand and Sir Kenneth Cork of W. H. Cork Gully, the liquidators, said yesterday.

The second dividend, which was paid in June 1978 amounted to 25p. This latest dividend adds a further 10p giving unsecured creditors so far 60p in the pound.

The final payment should raise this total to 70p, 20p higher than the estimate at the time of the first dividend.

Creditors of Automobile and General, a subsidiary within the group, will have received 70p when the third dividend is paid, and can expect a total of 90p by the end of 1981. For creditors of General and Commercial the two figures are 62.5p and an eventual 72p.

Horizon enlarges its fleet

TOUR OPERATOR Horizon Travel has increased from an initial three to seven the planned number of aircraft to be bought by its Orion Airways subsidiary. All are Boeing 737 medium-haul craft.

Orion began operations on March 28 with three 737s, and a fourth to be delivered at the end of this month. Three further aircraft will be delivered next year, and a conditional contract has been signed for a further 737 delivery in 1982, says chairman Mr. Bruce Tanner in the company's 1979 annual report.

Of the current Orion craft, one is on a long lease, and another on a short lease lapsing in 1981. When the first two craft were ordered in 1978, the combined cost was $19m. The price tag on the 1983 plane is $13m.

The planes will carry Horizon's travellers from 1891. The company expects to carry around half a million people annually in 1982. It says it will finance the acquisitions from its own resources, plus short-term borrowing facilities from Barclays Bank. It wrote off around £150,000 in set-up costs on its 1979 accounts. Orion will have a final payroll of around 200 employees, based at East Midlands airport in Nottinghamshire.

The planes will boost Horizon's profitability by roughly a half before financing costs, says Mr. Tanner. In 1979, the company made £3.8m pre-tax, carrying some 300,000 passengers.

Horizon is also extending its operations to carry tourists out of Gatwick from 1981. The move should attract some 30,000 new travellers, mostly from south-of-the-Thames London, says Mr. Tanner.

BIDS AND DEALS

Richards & Wallington makes £1.4m purchase

Richards and Wallington has purchased 49.9 per cent of the issued capital of Unit Sales (DIY) for £1.42m in cash out of existing bank facilities.

This represents a multiple of five times that proportion of pre-tax profits of Unit Sales for 1979, as recalculated by R and W in agreement with the vendors.

R and W also has the option to purchase the balance of the capital in a year's time, on the same formula applied to profits for 1980.

Unit Sales operates eight closely located DIY supermarkets in the Midlands. Two new stores will be opened during 1980 and further expansion is planned.

The company's net tangible assets, before providing for deferred tax, at December 31, 1979, were £1.09m. This included surplus cash of some £600,000 which is expected to increase substantially by the time the option to acquire the outstanding 50.1 per cent becomes exercisable.

POLLY PECK/RESTRO

The offer made on behalf of Restro for Polly Peck has closed for acceptances.

Acceptances have been received in respect of 3.08m ordinary (about 58.15 per cent) of the voting rights).

Restro, a private Jersey-based company owned by Mr. Asil Nadir, said at the time of the offer that it intended to maintain Polly Peck's quote on the market.

Newspaper transfer refused

The proposed transfer of the West Somerset Free Press to Bristol United Press "may be expected to operate against the public interest and should not be allowed to go ahead."

This was the unanimous conclusion of the Monopolies Commission in its report. In the light of this Mr. John Nott, Trade Secretary, has decided to refuse his consent to the transfer.

MOSS ENGINEERING ACQUIRES MEADS

Moss Engineering Group has acquired materials handling specialists A. Meads in a move aimed at boosting home and overseas markets for both companies. The consideration for the entire share capital of Meads, based at Cannock, Staffordshire, is £270,000 payable in cash as to £200,000 on completion, and £70,000 on September 1, 1982.

A further sum up to a maximum of £50,000 is payable provided aggregate pre-tax profits exceed £200,000 for the two years ending August 31, 1982.

Net assets of Meads at November 30, 1979 amounted to £314,074 and pre-tax profits for the year were £258,648.

Net assets of Moss at the last balance sheet in August, 1979 were £5.84m and profits for that year were £911,860.

LIGGETT BOARD DEFERS MEETING UNTIL NEXT WEEK

The Liggett Group has delayed until Monday a board meeting to discuss the $415m bid for it launched earlier this week by Grand Metropolitan.

Liggett, a U.S. tobacco and liquor company, is making no comment on the offer from Grand Met, which already has a 9.5 per cent stake in the company.

Meanwhile, Grand Met is today seeking an exemption in the North Carolina courts from statutory 30-day waiting period for bid offers. The waiting period, under Carolina State rules, conflicts with securities and exchange commission regulations which could oblige Grand Met to launch its offer by the end of this week.

Liggett had earlier obtained a North Carolina court injunction preventing Grand Met from increasing its holding without making a full offer.

Wm. Sindall drops to £218,482

PROFITS BEFORE tax of William Sindall, building and civil engineering contractor, dropped from a record £421,258 to £218,482 for 1979, on lower turnover of £20.51m against £21.03m.

Earnings per 25p share were down from 19.72p to 10.16p, but the year's net dividend is up slightly at 4.5p (4.4722p).

Depreciation took £252,014, compared with £221,487.

HOGG ROBINSON

Hogg Robinson Group, the international insurance broker with large Lloyd's of London interests, is forming a joint company with United Leasing, the computer leasing specialist, to extend its existing equipment leasing business into operational leasing.

The new company is called United Hogg Robinson Leasing and has an initial capital of £50,000 of which Hogg Robinson will hold two-thirds and United one-third. United Leasing, one of Europe's operating lease specialists, will provide technical and sales expertise together with the management services for the new company which will trade both in the UK and abroad.

LEIGH INTERESTS

Leigh Interests' issue by way of rights to ordinary holders of £1.9m nominal of the 10 per cent convertible unsecured loan stock 1984-85 had been taken up as to £1.15m (60.4 per cent) on April 11.

A total of £100,000 nominal of the stock has been sold in the market at a nominal premium and the net proceeds (after deduction of the subscription price and expenses of sale; equivalent to approximately 0.0097p per £1 nominal of stock) will be distributed pro rata among the provisional allottees of the stock not taken up, except that any individual amounts of less than £1 will be retained for the benefit of the company.

The balance, amounting to £650,149 nominal, is to be subscribed for at par pari passu by CIN Industrial Investments (CIN) and Norwich Union Life Insurance Society on the basis of applications received prior to the issue.

In accordance with the terms of the issue CIN has also subscribed at par for a further £531,902.

Leigh further has also exercised its option to acquire the whole of the issued share capitals of the eight "Safeway" companies, referred to in the letter to shareholders dated March 21, 1980, with effect from April 30, 1980.

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BOND DRAWING

CITY OF MANCHESTER U.S.$50,000,000 8¼% Notes 1979/1981

S. G. Warburg & Co. Ltd., announce that the redemption instalment of U.S.$17,000,000 due 15th May, 1980 has been met by purchases in the market to the nominal value of U.S.$8,719,000 and by a drawing of Bonds to the nominal value of U.S.$8,281,000.

The distinctive numbers of the Bonds, drawn in the presence of a Notary Public, are as follows:—

3	6	9	12	16	18	21	24	27	30
33	36	39	43	46	49	52	55	58	91
64	67	70	73	76	79	82	95	98	91
94	97	101	104	107	110	113	118	119	122
125	128	131	134	137	140	143	146	149	162
156	159	162	165	168	171	174	177	180	183
186	189	192	195	198	201	204	207	210	214
217	220	223	226	229	232	235	238	241	244
247	250	253	256	259	262	266	269	272	275
278	281	284	287	290	293	298	301	304	307
310	313	316	319	322	325	328	332	335	338
[illegible]									

7816	7819	7822	7825	7828	7831	7834	7837	7840	7843
7846	7848	7852	7855	7959	7962	7865	7868	7871	7874
7877	7880	7883	7889	7889	7892	7895	7898	7901	7904
7907	7910	7913	7917	7920	7923	7926	7929	7932	7935
7938	7941	7944	7947	7850	7953	7956	7959	7992	7965
7969	7971	7976	7978	7981	7984	7997	7990	7993	7996
7999	10502	10505	10508	10511	10518	10521	10524	10527	10530
10533	10537	10540	10543	10546	10549	10552	10555	10558	10561
10564	10567	10570	10573	10576	10579	10582	10585	10588	10591
10595	10598	10601	10604	10607	10610	10613	10616	10618	10622
10625	10628	10631	10634	10637	10640	10643	10646	10646	10853
[illegible]									

18850	18853	18856	18859	18892	18865	18868	18871	18874	18877
18880	18883	18886	18889	18892	19895	18899	18902	18905	18906
18911	18914	18917	18920	18923	18926	18929	18932	19935	18938
18941	18944	18947	18890	18953	18957	18990	18963	18966	16969
18972	18875	18978	18981	18984	18987	18990	18993	18996	18999
19002	19005	19008	19011	19015	19018	19021	19024	18027	19030
18033	19036	19038	19042	19046	19048	19051	19054	19057	19060
19063	19066	18069	18073	19078	19079	19082	19085	19098	19091
19094	19097	19100	19103	19106	19109	19112	19115	19118	19121
19124	19127	18131	19134	18137	19140	19143	19146	19149	18152
19155	19158	16161	18184	19167	19170	19173	19176	19179	19182
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FOOD MANUFACTURERS

BY DAVID CHURCHILL

A tough decade ahead

FOOD MANUFACTURERS meeting in London today for their annual conference will reflect ruefully on the effects of the recent steel strike on their profits in the coming months.

Although fears of food shortages during the 13-week strike led to a 20 per cent increase in sales of canned foods—a useful short-term increase in demand for manufacturers and retailers—this will be more than cancelled out when tin-plate prices go up. The Food Manufacturers Federation has alread urged the British Steel Corporation not to help finance its pay deal by raising tinplate prices, but there seems little prospect of avoiding a new price rise soon.

Prospects

After a decade in which the industry was squeezed between sbarply rising raw material prices and operating costs on the one hand and Government price controls and a High Street price war on the other, it had heen hoped that the worst was now past and that the industry could look forward with confidence to the new decade.

Indeed, the theme of today's annual conference of the FMF is to identify the growth prospects of the industry—which has retail sales of more than £20bn and employs almost 750,000 people during the next 10 years.

Yet the problems and pressures facing the industry appear to have the same familiar ring to them aod suggest that the next 10 years will be as tough—if not tougher—than the last. According to the manufacturers the next few years could see the collapse of some companies and even whole sectors — followed by the inevitable rationalisations, higher imports, and prohahly bigher than necessary prices for the consumer.

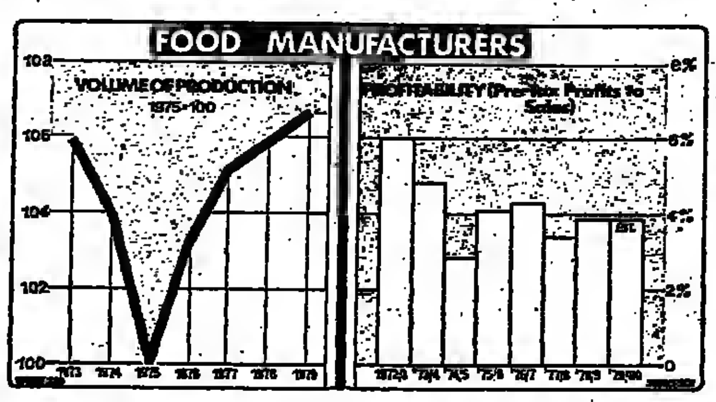
However, the problems facing the food industry — such as rising costs and increased retailers' power—are only part of the story. There is also tha simple fact that the volume demand for food has been static for several years and there seems little prospect for any substantial overall volume growth in the future.

This lack of growth in volume for food is mainly due to the lack of growth of Britain's population and the consequence that consumers simply cannot eat any more. This is a phenomenon apparent in most developed Western economies, particularly in the U.S. where the slowdown in overall food market growth started much earlier.

Morevore, as consumer markets have become more sophisticated and real incomes have increased, the proportion of household expenditure on food has declined. While in 1977 nearly 20 per cent of household expenditure went on food, this proportion has now slipped back to just over 18 per cent and the long-term trend is of a steady decline.

The effect of the lack of growth in consumer demand for food is shown hy Government figures of food manufacturers' volume of production. In 1979 the index figure of 106 was hroadly the same as tha 1973 figure.

The rapid rise in food prices during the 1970s was largely a result of the UK's adjustment to higher food prices under the EEC's Common Agricultural Policy as well as to the dramatic rise in oil prices, which affacted not only energy and distribution but packaging costs as well, to the rise in labour costs, and soaring commodity prices.



Although these cost pressures were starting to abate, they began to creep up again last year. Thus in the past year, raw materials purcbased by food manufacturers increased in cost by 12.2 per cent compared with 7.3 per cent in the previous year, largely as a result of increased EEC prices. At the same time, lahour costs have soared with earnings up by over 21 per cent in the past year, compared with just over 12 per cent the previous year.

Cost of EEC

Perhaps surprisingly, the food industry has been given some support by consumer organisations such as the National Consumer Council whicb ascribes much of the blame for rising food prices to the EEC rather than manufacturers.

Thc council, which is Government-financed, says that the cost of joining the EEC has been a "12 per cent increase in food prices that we should not have had to face."

While consumer groups such as the NCC believe the main problem lies in Brussels, there has been some feeling within Whitehall that the food manufacturers may not have done as much as they could to limit the effects of raw material prices. This could perhaps have been achieved by higher productivity or greater operating efficiency.

The Price Commission, which had been established because of tha continning rise in prices, on several occasions closely acrutinised the activities of major food manufacturers when they put up prices. On no occasion was any food manufacturer stopped from raising its prices, but the Office of Fair Trading is taking a close interest in the competitive aspects of food companies under the new powers it has from the Competition Act.

However, apart from stimulating Whitehall interest in food prices, the main effect of the soaring food price inflation in the mid 1970s was to enable the Higb Street priee war to be lauocbed in the summer of 1977.

Tesco and the other major supermarket multiples, faced with the static volume demand for food, felt that aggressive price promotions were the only way to increase volume sales at the expense of small grocers wbo could not afford such large price cuts.

But the multiple grocers' cbase for extra volume sales by the method of large price cuts led them to put pressure on the food manufactnrers for discounts to help pay for the price reductions. Food manufacturers bave tended to agree to such demands since their operations are based on bigh volume and low margins.

Although the general position for food manufacturers in the 1980s is fairly bleak—given tha everall lack of market growth—not all companies will suffer. There are two main reasons why some food processers will be able to benefit during the decade.

First, those manufacturers which can strengthen their brand's dominance in the market will have some effective power against the large retailers. Companies such as Kelleggs or Heinz, far example, are in a stronger position to refuse demands for discounts simply because shoppers prefer such brands for reason other than price.

But the second—and more important—reason why some manufacturers can afford to be optimistic is that although more food is not being bought, there are constant changes in tha type of foods demanded. Companies that can identify and interpret changing social and demographic factors and find and develop a niche in the market can look forward to a profitabla future.

Such trends at present include the growth of convenience foods as more women go out to work or desire to experiment at home with foreign foods, perhaps tasted first on boliday. Also, the damand for health foods is likely to continue to grow rapidly over the next decade.

Japanese

The convenience factor is likely, however, to be the major infiuence on new food and snack foods sbould benefit most. An example of new product development launched recently by KP Foods, a subsidiary of United Biscuits, was an "instant" bot meal called Quick Lunch. Three minutes after a housewifa adds boiling water to a noodle-based concentrate in a plastic beaker, a hot meal of curry (or wbatever) with noodles is ready. The Japanese already eat some 1bn such instant meals a year and KP anticipates the British market could be worth soma £50m by next year.

Apart from developing new food markets at bome, food manufacturers are likely to expand overseas, either by exports or by acquisitions.

And, with the continued strength in the valne of sterling, many food manufacturers are increasingly looking to the U.S. market for takeover opportunities. Their bopes rest on the fact that the weaker grocery retailing industry in the U.S. would not put them under the same pressure as Tesco and others have done at home.

But Tesco bas made no secret of its alm itself to expand into U.S. grocery retailing.

COMPANY NEWS

Payment changes at Sun Life

NEW arrangements for dividend payments are announced by Sun Life Assurance Society. Having yesterday declared a first intcrim dividend, to be paid on July 1, of 3.75p per 5p share, a second interim of the same amount will be paid on December 31, 1980. This will then be followed by a final to be declared in April, 1981 which it is anticipated will be not less than 3.75p.

The Society has for many years declared two half-yearly dividends for payment on or about July 1 an dDecember 31, that is before the final results for tha yaar are available.

The directors intend, in future to declare the final dividend for a financial year efter the results of the actuarial valuation are known—in the following April for payment in June. This would be in line with the practice of most companies.

Thereafter, tha interim dividend for each financial year will be paid in December, with the final paid in June the following yaar. In the absence of unforeseen circumstances, the total for the financial year 1981 will be not less than 7.5p per share.

The 1979 first interim dividend was 1.9117p, but this was declared before dividend restraint was removed. The total for that year was 6.5367p, and the dividend now declared represents an increase of approximately 15 per cent over one-half the previous total.

The company reports that the proprietors' share of divisible surplus following the annual valuation at December 31, 1979 of its long-term business fund amounts to £3.74m, which is inclusive of the share of interim and terminal bonuses.

This represents an increase of over 31 per cent against the 1978 figure of £2.84m.

Provident Life up 50% after tax

A 50 per cent jump in after-tax profits from £582,000 to £866,000 in 1979 is reported by Provident Life Association of London, with life business, and higher investment income all contributing to the improvement.

A final dividend of 5.6p makes a net total of 10.2p (9.12p), an increase of 11.8 per cent. The effective increase for former "A" ordinary shareholders is 16.6 per cent. After providing the £488,000 absorbed by dividands aod transferring £200,000 to investment reserve, the retained profit was £178,000.

The long-term funds rose during the year from £88.8m to £95.5m, with the gross rate of interest earned on the fund improving from £7.98 per cent to £8.59 per cent. The shareholders' portion of divisible profits advanced by a quarter to £291,000 and the non-divisible profits improved slightly to £210,000.

In general insurance business there was a major turnround in the property and accident account with an underwriting profit of £5,000 against a loss of £269,000. Premium income declined sligbtly on the year to £2.25m. However, the motor account suffered from bad weather, recording a loss of £95,000 against a profit in 1978 of £7,000. Motor premiums were slightly lower at £1.75m.

Investment income from the general and shareholder funds rose by over 17 per cent from £493,000 to £580,000, reflecting the high level of interest rates on short-term fixed interest securities.

Berwick Timpo ahead of profit forecast with £1.5m

PROFITS AHEAD of the mid-term forecast of not less than £1.4m are reported by Berwick Timpo, toys and games manufacturer. The pre-tax surplus reached £1.52m in 1979—44 per cent ahead of the £1.05 achieved in the previous year.

The net total dividend is stepped up from 3.3338p to 6p, with a final of 4p, as expected. Stated earnings per 25p share are ahead to 25.2p (12.1p).

Tax took £109,148 (£384,228) and there were extraordinary debits of £976,008 this time, leaving the balance lower at £430,079, against £667,326.

The extraordinary debits were after tax relief at £572,573 and included a net cost of £841,042. This represents full provision for the direct costs of the closures of Model Toys and Flair Toys last October.

The full-year trading losses of these two companies were £480,224 and this has been charged in arriving at the group trading profit.

Group sales improved from £13.21m to £16.84m.

The elimination of the loss-making activities has considerably strengthened the group, says Mr. J. D. Oakley, chairman. Although this is going to be a difficult year for the toy trade, orders for the three group companies are currently ahead of last year.

He adds that the group now comprises Peter Pan Playthings, Berwick Toys, and Harbutt's Plasticine. All improved their profit levels in 1979 and have introduced new product ranges for the current year which have been well received.

● comment

For a toy company operating in a tough trading environment Berwick Timplo has done well to lift full-year profits by 44 per cent — slightly more than that forecast at the time of the boardroom struggle with a former chief executive. Much of the credit is due to record results from the Berwick subsidiary where the Happy Time range of nursery toys was particularly successful. The results also reflect the closure of two troublesome subsidiaries but costs have been taken below the line and earnings are more than doubled, thanks largely to a low tax charge. Although most of the action takes place later in the year, it is clear that trading conditions have not improved and current sales volume is about 5 per cent lower than a year ago. Like most toy companies Berwick Timpo is having to financa a higher level of stocks ahead of the main selling season, so interest charges are going to be a substantial dampner. Given a fair wind however, tha company could make further progress given that the loss makers are out of the way and some of tha more successful products have been injected into the continuing operation. Fully taxed the p/e is 5.2 at 73p, up 5p, while the yield is 12.4 per cent compared with 2.67 and 15.5 per cent for the sector.

Stronger pound restricts Martonair to £0.15m rise

WITH TURNOVER ahead at £18.03m against £17.15m, taxable profits of Martonair International, maker of pneumatic control equipment, improved from £2.51m to £2.66m for the half year to January 31, 1980. It is estimated, however, that profits would have been about £0.2m higher if exchange rates had remained at the same level as for the comparable period.

Incoming orders are continuing at a satisfactory level and provided there is no significant downturn or disruption in the industry generally, the year's results are expected to show some increase over 1978-79, when pre-tax profits reached £5.72m on turnover of £35.89m.

The net interim dividend is increased from 1.75p to 1.95p per 20p share — last year's final was 5p.

Tax took £1.32m against £1.25m, and there were minorities of £19,000 (£11,000). The retained surplus emerged up slightly from £1.02m to £1.06m.

● comment

Martonair bas been bouncing along in good form with an everage pre-tax growth rate of 39 per cent over the past three years. Had it not been for about £200,000 lost in exchange translation the company would have produced more than its 6 per cent interim rise revealed yesterday. The pneumatic control business continues well on the Continent (which accounts for two-thirds of group sales) and at home. There has been volume growth of about 4½ per cent and interest charges have been sharply reduced. Margins are slightly lower than at year-end, but they are still a healthy 14.7 per cent at the pre-tax level. The engineering dispute did not harm the company aither and the order book is now said to look good. Profits should rise to around £6m before tax for the current year, suggesting a fully taxed p/e of 8.8. The interim dividend is up 11.4 per cent and a similar rise in the final could lead to a prospective yield of 5.6 per cent at 195p, up 3p.

Yearlings down

Local authority yearlings give up a point this week, easing to 16½ per cent. The bonds are redeemable at par on April 22, 1981.

The issues are: City of Glasgow DC (£2m); City of Lincoln (£0.5m); London Borough of Brent (£0.5m); Cheltenham BC (£0.5m); Borough of Eastleigh (£0.25m); Ettrick and Lauderdale DC (£0.25m); Borough of Ipswich (£0.5m); Metropolitan Borough of Rotherham (£0.25m); Rochester upon Medway BC (£1m); Renfrew DC (£1m); Sefton Metropolitan BC (£0.5m); Dudley Metropolitan BC (£0.75m); City of Wakefield Metropolitan DC (£0.75m); Mendip DC (£0.5m); Calderdale Metropolitan BC (£0.5m); Borough of South Tyneside (£1m); Amber Valley DC (£0.5m); Cheltenham BC (£0.5m).

NORTH AMERICAN NEWS

Good first quarter for St. Regis Paper

By Our Financial Staff

ST. REGIS PAPER, the forest products group which has recently developed its international paper and domestic natural resource operations, boosted first quarter earnings by 25.5 per cent to $46.12m or $1.41 per share compared with $36.76m or $1.13.

St. Regis said that the strong performance was aided by a high rate of shipment. Sales also rose strongly by 13.4 per cent to $767.17m. Foreign exchange gains accounted for $2.28m or 7 cents in the first quarter, compared with losses of $134,000 in the first quarter of 1979.

Earnings were also helped by a lower income tax rate caused by higher investment tax credits as the company's major capital expansion programme began.

The advance is also the more significant as St. Regis was earlier forecasting that earnings were likely to decline from the $4.87 a share of 1979. However, Mr. William R. Haselton, president and chief executive, was cautious on the outlook for the rest of 1980. He said that the rapid decline in new housing activity is affecting the construction products sector and the outlook is weakening for the packaging and converted paper sector.

Abitibi-Price, the Canadian group which is the world's largest newsprint producer, raised first quarter earnings even more strongly. They rose 57 per cent to C$34.6m (U.S.$29.32m) or C$1.17 per share compared with C$22m or C$1.06 a year ago on sales which rose 9 per cent to C$386m.

The Canadian group is also predicting lower earnings for the rest of 1980 and sees a slower growth in newspaper demand.

S and L depression leads to $3.45bn assets link

BY STEWART FLEMING IN NEW YORK

TWO LEADING ILLINOIS savings and loan associations, Talman Federal and Home Federal, have announced plans to merge and form an institution with assets of $3.4bn.

The announcement comes amidst evidence of deepening depression in the savings and loan (S and L) industry, which supplies most of the finance for private house purchase in the U.S.

Last week, two of the leading S and L's reported sharp declines in first quarter earnings. Great Western Financial said its net income fell by 40 per cent to $13.5m and Financial Federation reported a 33 per cent decline to $3.4m.

The Illinois S and L's have said that the merger proposal does not result from financial difficulties in either corporation.

Some industry observers, however, are expecting a growing number of combinations in the industry, partly because of the financial strains it is facing as a result of the surge in interest rates and the fact that the bulk of S and L loans are on fixed interest terms at under 10 per cent.

In the short term, some S and L's may feel that they can strengthen their financial position by merging. But there are other longer term considerations pointing in the same direction. Recent banking reform legislation means that, over the next decade the Savings and Loan industry will be coming increasingly into direct competition with commercial banks. Mergers to create larger and stronger units may thus be needed.

Ford to trim jobs by 15,000

BY OUR NEW YORK STAFF

FORD MOTOR, which has forecast heavy worldwide losses for the first half of this year, yesterday announced plans to cut 15,000 jobs and reduce costs by $1.5bn in its North American automotive operations by the end of next year.

The company intends to close one assembly plant in New Jersey, halve output at four others and shut down a foundry and a castings operation.

Ford's problems in the market place were underlined on Tuesday when it showed a 24 per cent drop in early April car sales compared with the same period last year—a much sharper drop than for either General Motors or Chrysler.

Profits fall in fourth quarter

BY JOHN MAKINSON

U.S. CORPORATE profits showed a slight fall in the final quarter of last year, according to revised figures from the Commerce Department.

Profits after tax slid a seasonally adjusted 0.9 per cent from third quarter levels, giving an annual rate of $146.9bn. Preliminary figures had earlier indicated 0.3 per cent increase over the third quarter.

The earnings dip, common to many industrial sectors, followed a strong 6.5 per cent increase in the previous quarter. The latest figures also show a 2.4 per cent decline in profits before tax, adjusted for the impact of inflation on depreciation and stocks.

Without the inflation adjustment, profits before tax increased by a marginal 0.3 per cent. Over the whole of last year, profits weakened in the second quarter, recovered in the third and dipped again in the final three months.

Returns so far for the first quarter of this year indicate that companies in troubled sectors are being hit hard by high interest rates and the decline in business activity. A forecast of first quarter losses by Ford suggests that the motor industry will produce a gloomy set of figures.

With the notable exception of Citicorp, which has reported a $42m profits fall, banks are roughly holding their own in real terms. Aluminium and chemical companies are doing well but the star performer appears to be the securities industry, which is benefiting from the surge in Wall Street trading activity.

Confidence at NCR despite setback

By Our Financial Staff

NCR CORPORATION, the world's largest cash register manufacturer has suffered a sharp and unexpected fall in earnings in the first quarter of the current year but remains confident that the full year will be "satisfactory," with both sales and earnings showing gains. Analysts recently forecast share earnings of $10.00 for 1980, compared with 8.78 in the previous year.

The first quarter shows a fall in earnings from $30m or $1.13 a share to $25.5m or 95 cents a share. Sales, however, have borne out predictions of sharp rise by moving up from $590.5m to $657.5m.

The company, which now earns a substantial part of its income from computer terminals and systems, is heavily involved in markets outside the U.S. Some 20 per cent of earnings in 1978 came from the UK and Continental Europe, a further 11 per cent from Japan, Australia and the Far East, and 10 per cent from elsewhere.

Downturn at Honeywell

By Our New York Staff

HONEYWELL, the computer instrumentation and controls group, has reported a drop in first-quarter net income from $57.8m to $46.2m.

The fall in operating income had been forecast by the company, which is still expecting an increase in full-year earnings over the 1979 figure of $240m.

Honeywell had sales of $1.13bn in the quarter, an increase on the previous year's $966.8m.

INTERNATIONAL CAPITAL MARKETS

Mexico will fund $1bn borrowing by three loans

BY ROSEMARY BURR IN RIO DE JANEIRO

MR. DAVID IBARRA-MUNOZ, Mexico's Minister of Finance, has confirmed here that negotiations are in an advanced stage on three loans totalling $1bn, for Mexico

The first firm deal likely to emerge is a seven-year bullet loan of between $200m and $300m from four leading Canadian banks. The spread on the loan will according to the minister be ½ per cent over London inter bank rates.

Two similar sized deals are expected from groups of French and German banks but Mr. Ibarra-Munoz said the maturities of these loans might differ from that of the Canadian loan. There were no plans at present, he added, to raise credit from the Japanese.

Mr. Ibarra-Munoz said that Mexico had radically changed its debt policy and planned to increase its short term debt. In particular it would double the percentage of loans with up to one year maturity from its current 2 per cent level to 4 per cent of Mexico's total debt.

A $250m Eurocurrency loan for Financiera Nacional Azucarera, S.A. (Finasa), lead managed by Bank of America and Bankers Trust International, was signed in London yesterday. Finasa is a national Mexican credit institution and provides official finance to the sugar industry.

The three-year loan is priced at ¾ per cent above Libor, free and clear of Mexican withholding taxes.

The loan was originally brought to the market to raise $200m. However, the amount was more than 50 per cent over-subscribed, resulting in an increase to $250m.

Surge in straight dollar bonds

BY FRANCIS GHILES

EUROBOND dealers were faced yesterday afternoon with what one of them described as a "deluge of orders" to buy straight dollar bonds, the like of which they had not seen for a long time.

Prices of straight dollar bonds gained up to four points following remarks made by one of the market's most respected gurus, Mr. Henry Kaufman, a senior partner in the New York investment bank, Salomon Brothers, who said the recession in the U.S. was now on its way.

Bond houses reported that some institutional clients were just ringing up with orders to buy "all the paper you can lay your hands on." Such orders were not always easy to execute as most of the recently issued paper had already been placed. All the recently floated issues saw their prices rise: the EIB 13⅝ per cent bond to 1990, which was quoted at 98⅞ bid yesterday morning, its first day of trading, finished the day at 101⅛.

The strength of demand led one of the most important bond houses in London to tell its potential borrowers that bond issues for them could be arranged on coupons ¼ per cent below the rate previously indicated.

Only one new straight dollar bond surfaced last night, a $50m seven-year bullet issue for North West Industries carrying a coupon of 13⅝ per cent, through Orion Bank. The immediate reaction of some houses to these terms were that they were somewhat tight but the subsequent surge in prices may have disposed of initial reticence, as with the EIB issue launched last week.

Floating Rate Note issues were in good demand also and a new FRN for one of Mexico's leading banks is believed to be imminent. All in all, $700m worth of dollar bonds have been announced since Easter, $525m of which is accounted for by straight dollar bonds. These figures can be expected to increase by the weekend.

The first Canadian dollar issue since last September has been launched through Morgan Stanley for Tordom with the guarantee of Toronto Dominion Bank. The borrower is paying a coupon of 14 per cent for five years and the price of the bonds is expected to be par.

Deutsche Mark foreign bond prices were essentially unchanged yesterday. A new issue for the European Investment Bank is widely expected in this sector before the end of the week.

Swiss Franc bond prices edged up a little yesterday. A new issue amounting to SwFr 80-100m is expected shortly for Caisse Nationale des Telecommunications through Swiss Bank Corporation. The demand recorded for the recent Inter-American Development Bank issue the one for CNT is expected to meet with a good reception.

● The annual general meeting of Cedel, the international clearing system, took place last Friday. The results for the 1979 fiscal year included profit after tax of $698,000 and a dividend of 5 per cent on paid-in capital. The number of participants affiliated to the system has passed 1,000.

Canada rejects bid by Mobil

By Our New York Staff

THE CANADIAN Government has rejected an application by Mobil-GC Canada to acquire the Canadian interests of General Crude Oil, the Houston-based subsidiary of International Paper.

The Canadian assets are valued at around $100m and form part of General Crude's worldwide oil and gas interests, which Mobil bought for about $800m last year. Mobil said in New York that the company would suggest discussions with the Canadian Government.

The application was rejected because it did not meet the Government's criterion of providing "significant benefit" for Canada. The Foreign Investment Review Agency, which monitors all applications by foreign companies, said that a revised application would possibly be accepted.

Strauss, Turnbull in bond link with Soc. Generale

BY NICHOLAS COLCHESTER

SOCIETE GENERALE of France and Strauss, Turnbull, the London stockbrokers, yesterday confirmed that they would launch a company to engage exclusively in the secondary Eurobond market.

Societe Generale Strauss Turnbull will have a capital of about £500,000 and will be 45 per cent owned by the broker and 55 per cent by the French bank. The London-based trading operation will provide Societe Generale with its first extensive involvement in the Eurobond secondary market.

Strauss, Turnbull, which has many years of experience in such activity, will gain from association with a major French bank and from "the increased availability of capital in what has become a very capital extensive business," according to Mr Julius Strauss, senior partner, who will become deputy chairman and managing director of the new venture.

Asked whether this was the right time for such an initiative, Mr Strauss said that the two sides had been in talks for more than a year and that they hoped that by the time the new company began operations in the bond market would have improved. It is thought that the company will start trading in June.

Both Strauss, Turnbull and Societe Generale will continue their underwriting and issuing activities independently. The new operation will concentrate on trading straight dollar bonds and euro-sterling bonds. Euro-French franc bonds will be traded out of Paris and it is possible that market-making in Floating Rate Notes will remain in the hands of Societe Generale as well.

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AMERICAN QUARTERLIES

ARCHER-DANIELS-MIDLAND	1980	1979
Third quarter	$	$
Net profits	30.53m	12.88m
Net per share	0.83	0.37
Nine months		
Net profits	82.7m	40.54m
Net per share	2.33	1.17

AUTOMATIC DATA PROCESSING	1980	1979
Third quarter	$	$
Revenue	124.1m	98.7m
Net profits	11.50m	9.44m
Net per share	0.74	0.62
Six months		
Revenue	337.2m	273.9m
Net profits	28.5m	23.78m
Net per share	1.85	1.57

C. R. BARD	1980	1979
First quarter	$	$
Revenue	57.1m	50.5m
Net profits	3.73m	3.21m
Net per share	0.38	0.33

BAXTER TRAVENOL LAB	1980	1979
First quarter	$	$
Revenue	313.1m	274.9m
Net profits	30.44m	25.7m
Net per share	0.89	0.78

CHESEBROUGH-POND'S	1980	1979
First quarter	$	$
Revenue	316.4m	272.2m
Net profits	23.84m	10.67m
Net per share	0.74	0.61

CONNECTICUT GENERAL	1980	1979
Fourth quarter	$	$
Revenue	0.8m	10.5m
Net profits	2.56m	1.76m
Net per share	0.44	0.31
Year		
Revenue	41.0m	39.7m
Net profits	9.37m	6.73m
Net per share	1.62	1.19

CONTINENTAL GROUP	1980	1979
First quarter	$	$
Revenue	1.14bn	1.04bn
Net profits	57.3m	36.6m
Net per share	1.56	1.03

CROWN ZELLERBACH	1980	1979
First quarter	$	$
Revenue	737.5m	625.0m
Net profits	24.3m	21.4m
Net per share	0.93	0.84

ETHYL CORPORATION	1980	1979
First quarter	$	$
Revenue	438.59m	632.0m
Net profits	28.55m	21.14m
Net per share	1.44	1.07

FEDERAL PAPER BOARD	1980	1979
First quarter	$	$
Revenue	110.0m	93.1m
Net profits	6.03m	4.86m
Net per share	0.84	0.71

GENERAL TELEPHONE	1980	1979
First quarter	$	$
Revenue	2.63bn	2.26bn
Net profits	65.06m	148.33m
Net per share	0.38	0.97

HILTON HOTELS	1980	1979
First quarter	$	$
Revenue	139.9m	127.3m
Net profits	26.46m	10.81m
Net per share	1.00	0.75

WALTER KIDDE	1980	1979
First quarter	$	$
Revenue	615.6m	511.1m
Net profits	15.5m	18.7m
Net per share	1.78	1.51

KNIGHT-RIDDER	1980	1979
First quarter	$	$
Revenue	257.9m	221.6m
Net profits	19m	16.3m
Net per share	0.59	0.50
	1980	1979

ELI LILLY	1980	1979
First quarter	$	$
Revenue	704.3m	613m
Net profits	115.3m	103m
Net per share	1.58	1.41

MAYTAG		
First quarter	$	$
Revenue	97.6m	86.8m
Net profits	10.8m	0.8m
Net per share	0.81	0.73

MEREDITH CORPORATION	1980	1979
Third quarter	$	$
Revenue	92.6m	93.6m
Net profits	6.23m	4.76m
Net per share	2.01	1.54
Nine months		
Revenue	263.4m	240.9m
Net profits	17.25m	12.34m
Net per share	5.54	3.99

NATIONAL DISTILLERS & CHEMICAL	1980	1979
First quarter	$	$
Revenue	558m	548m
Net profits	43m	32m
Net per share	1.30	0.95

NORTHROP CORPORATION	1980	1979
First quarter	$	$
Revenue	379.6m	407.3m
Net profits	22.6m	23.5m
Net per share	1.61	1.66

OHIO EDISON	1980	1979
First quarter	$	$
Revenue	279.7m	250.4m
Net profits	38.92m	26.94m
Net per share	0.47	0.36
Year		
Revenue	1.02bn	894.5m
Net profits	146.78m	89.78m
Net per share	1.92	1.21

PETRIE STORES	1980	1979
Fourth quarter	$	$
Revenue	138.3m	141.2m
Net profits	16.62m	16.79m
Net per share	1.39	1.10
Year		
Revenue	446.6m	435.9m
Net profits	51.66m	48.93m
Net per share	3.67	3.49

PFIZER	1980	1979
First quarter	$	$
Revenue	710.1m	640.8m
Net profits	65.4m	58.6m
Net per share	0.98	0.80

PUBLIC SERVICE ELEC & GAS	1980	1979
First quarter	$	$
Revenue	757.5m	664.7m
Net profits	59.5m	68.1m
Net per share	0.69	0.88
Year		
Revenue	2.51bn	2.28bn
Net profits	224.7m	240.5m
Net per share	2.67	3.09

REEVES BROTHERS	1980	1979
Third quarter	$	$
Revenue	81.2m	83.2m
Net profits	3.78m	3.75m
Net per share	1.51	1.50
Nine months		
Revenue	244.3m	255m
Net profits	12.13m	14.72m
Net per share	4.07	5.76

REPUBLIC OF TEXAS	1980	1979
First quarter	$	$
Net profits	18.90m	17.23m
Net per share	1.06	0.97

SCOTT PAPER	1980	1979
First quarter	$	$
Revenue	546.4m	470m
Net profits	34.7m	37.0m
Net per share	0.69	0.67

SECURITY PACIFIC CORP.	1980	1979
First quarter	$	$
Net profits	39.7m	39.0m
Net per share	1.44	1.43

STANLEY WORKS	1980	1979
First quarter	$	$
Revenue	232.8m	210m
Net profits	13.74m	12.48m
Net per share	1.13	1.04

TEXASGULF	1980	1979
First quarter	$	$
Revenue	280m	174.3m
Net profits	73.56m	25.28m
Net per share	2.22	0.73

WEIS MARKETS	1980	1979
First quarter	$	$
Revenue	183.6m	148.5m
Net profits	7.62m	7.35m
Net per share	0.83	0.91

WELLS FARGO	1980	1979
First quarter	$	$
Net profits	30.4m	29.6m
Net per share	1.33	1.33

FT INTERNATIONAL BOND SERVICE

The list shows the 200 latest international bond issues for which an adequate secondary market exists. For further details of these or other bonds see the complete list of Eurobond prices published on the second Monday of each month.

Closing prices on April 16

U.S. DOLLAR STRAIGHTS	Issued	Bid	Offer	Change on day	Change on week	Yield
Alcan of Australia 10 89	60	86⅝	87⅛	+2⅛	+3⅜	12.47
Alex Howden XW 9½ 91	80	86	88	0	0	15.02
Australian Res. 9⅜ 84	30	87⅞	88⅜	+0⅛	+2⅛	13.40
Avco O/S Cap. 10⅝ 87	40	76	78	+0⅜	+1⅜	15.87
Beneficial Fin. 9⅜ 87	100	84⅜	84⅞	+0⅛	+3⅛	13.17
CECA Grad. Rate 12 86	100	91	92	−0⅜	+2⅛	14.00
CECA 11⅛ 90	50	88⅛	88⅝	−0⅛	+2⅛	13.69
Canadian Pacific 9⅜ 89	50	85⅜	85⅜	+0⅛	+3⅛	12.50
Carter Hawley 9⅜ 86	50	84⅜	85⅛	+0½	+2⅛	13.47
Comalco Inv. E. 10⅜ 91	40	84⅜	85⅛	+0½	+2⅜	12.82
Continental Grp. 9⅜ 86	100	84½	85	+0⅛	+2⅞	13.37
Dome Petroleum 10 94	50	78⅜	79⅜	+0⅛	+1⅛	13.28
Dominion Bridge 10⅛ 84	30	89⅜	89⅜	0	+1⅛	13.69
EIB 11⅛ 92	80	89⅝	90⅛	+1	+2⅜	13.49
EIB 10.15 99	100	†79	80½	0	+3	13.48
Expertfin 11⅛ 87	50	91⅞	92⅜	+0⅛	+2⅜	13.05
Export Dv. Cpn. 9⅝ 84	100	88⅞	89⅜	+0⅛	+3⅜	12.97
Export Dv. Cpn. 9⅜ 84	150	89⅜	89⅜	+0⅜	+3	13.00
Finland 9⅜ 89	100	†81½	82	+0⅜	+1⅜	13.51
GTE Finance 9⅜ 86	55	83⅜	83⅞	−0⅛	+2	12.87
GMAC 9⅜ 86	100	84½	85	+0½	+2⅜	12.97
GMAC O/S Fin 11 84	100	93⅜	93⅞	+1⅛	+3	12.86
Gould Int. Fin. 9⅜ 85	50	88	88½	−0⅛	+2⅞	13.15
ITT Antilles 9½ 89	75	81⅜	82⅞	0	+2½	13.02
Kennecott Int. 9½ 86	100	84⅛	84⅜	0	+2	13.37
Manitoba 9½ 86	75	91⅜	82⅞	+0⅛	+2⅞	13.05
Michelin 10 94	125	84⅞	85⅜	+1⅛	+5⅞	12.23
Nat. Des. Telecm. 9½ 86	100	85½	86	+0½	+2½	12.98
New Brunswick 9⅜ 94	75	80	80½	+0½	+4⅜	12.86
Newfoundland 10 94	50	85	85½	+0½	+4⅜	12.25
Norges Komm. 9⅞ 99	100	†79	79½	−0⅛	+2⅛	13.20
Norway 9½ 84	190	89⅜	90⅜	+0⅜	+3⅛	12.81
Nova Scotia Pwr. 9⅜ 89	50	83½	83⅞	+0½	+2⅛	12.91
Occidental Fin. 10⅛ 84	50	†90½	91	0	+3½	13.28
Pennwalt O/S F 9⅜ 84	25	89⅝	90⅞	+0⅛	+3½	13.06
Pepsico Cap. 9⅜ 84	100	88	88½	+0⅜	+2⅜	12.93
Quebec Hydro 10 99	75	80⅛	80⅜	+0⅜	+2⅞	12.76
Sears Roebuck 9 82	150	92⅜	93⅜	+0⅛	+2⅜	13.60
Statoil 8⅞ 98	100	84⅞	85⅜	+0⅛	+4⅞	12.39
Sweden 8⅜ 89	100	85	85½	+0½	+4⅜	12.57
Sweden 9½ 86	200	†86½	87½	+0⅜	+2⅜	13.06
Sweden 9⅜ 84	100	89⅜	90⅜	+0½	+3½	12.86
Unilever NV 9⅞ 87	160	83⅜	84⅜	+0½	+3½	12.77
Warner-Lambert 9 84	100	87⅜	88⅜	+0⅛	+3⅜	12.84

Average price changes...On day +0⅜ on week +2⅞

DEUTSCHE MARK STRAIGHTS	Issued	Bid	Offer	Change on day	Change on week	Yield
African Dev. Bk. 8 87	100	90	90⅜	0	0	9.85
Asian Dev. Bk. 7⅜ 98	100	84	84⅜	−0½	+3½	0.89
Australia 8⅜ 90	250	87⅛	97⅞	−0⅛	+3⅜	8.50
Barclays O'seas 6⅜ 89	100	86	87	+1	+5½	8.99
BFCE 7⅜ 87	100	92	92⅜	0	+0⅞	0.31
BFCE 8⅛ 95	100	90⅞	91⅞	0	+3⅜	8.21
Brazil 8 87	150	88½	89⅝	0	+1⅜	10.22
CECA 7 01	150	87⅛	87⅞	+0½	+3⅛	8.82
Council of Eur. 7⅜ 89	100	88⅛	88⅞	0	+2⅜	8.17
Denmark 7⅞ 86	100	92½	93½	−0⅛	+2⅜	0.58
Denmark 8⅜ 92	100	91⅜	92⅜	+0⅛	+4⅜	0.45
EEC 7⅞ 94	225	90⅜	90⅞	+0⅛	+3½	6.07
EIB 1⅛ 89	200	89⅜	80	+0⅛	+2⅞	6.22
Finland Rep. of 8 86	190	92½	93⅜	+0⅛	+1⅜	8.47
Kobe, City of 7⅜ 89	150	89½	88⅞	+1	+5⅞	0.97
Nedor. Gasunie 8 88	100	94	95	+0⅛	+2	8.13
New Zealand 7⅜ 87	200	89½	90⅜	−0⅜	+3⅜	0.04
Norges Komm 7⅜ 01	150	90⅞	91⅞	+0⅜	+4⅜	8.99
Norway 7½ 85	250	95½	96⅜	+0½	+2⅜	8.58
OKB 7⅜ 89	100	86⅝	87½	+0⅜	+3⅜	8.51
Oslo, City of 8⅜ 90	80	95⅜	96⅛	0	+1⅜	9.42
World Bank 7⅜ 91	400	89⅜	90⅜	−0⅜	+5⅜	8.21
World Bank 7⅞ 90	250	90⅞	91⅜	−0⅜	+3	0.27

Average price changes...On day +0⅜ on week +3⅜

SWISS FRANC STRAIGHTS	Issued	Bid	Offer	Change on day	Change on week	Yield
Argentina 5½ 88	80	87⅜	88⅜	−0⅜	+1⅛	7.33
Aumar 5 89	60	87⅜	89	+0⅜	+2⅜	6.73
Australia 3⅜ 89	250	88⅛	88⅜	+0⅜	+5⅜	5.27
Bergen, City of 4⅜ 91	40	88	88½	−0⅜	+2	6.51
BNOE 5 89	75	82⅜	83⅜	+1⅛	+2⅛	7.62
BMW Overseas 4⅜ 01	100	88⅛	88⅝	+0⅜	+3	5.65
Caisse Nat. Tele. 4⅛ 89	100	89⅛	89⅜	−1⅛	+4	5.90
CCCE 5⅜ 90	100	98⅛	98⅞	+0⅛	+1½	5.99
Copenhagen 4½ 91	60	80½	81	+0⅞	+2⅛	6.99
Council of Eur. 5 83	100	88⅜	88½	−0½	+0⅛	6.67
EIB 4½ 91	100	85⅜	85⅜	+0⅜	+5⅜	0.35
EIB 4⅜ 94	100	83	83½	0	+4½	0.10
Elec. de France 4⅜ 89	100	90	90½	+1½	+2⅜	5.76
GZB 4⅛ 89	100	85	85½	0	+0⅞	6.36
Hilti 4½ 01	35	89	89½	0	−0⅜	0.53
Int.-Amer. Dev. 4⅜ 89	100	86	86½	+2⅛	+4⅜	6.51
Jutland Tele. 5⅞ 90	50	97½	98	+0⅛	+3⅛	0.80
Malaysia 5 89	80	86⅜	87	−0⅜	+2⅜	6.97
Nippon Tel. & T. 4⅜ 89	100	90	90½	−0½	+2⅞	6.90
Nordic Bank 5 89	45	90½	91	−0½	+3⅜	6.35
Norges Komm. 4⅜ 81	100	83½	84	0	+2½	0.41
OKA 3⅜ 01	100	78½	79	+0⅛	+3⅜	6.63
OKB 4⅜ 81	100	84½	85	+0½	+4⅜	6.27
OKB 6 90	100	98⅞	99⅛	+0⅛	+1⅛	0.12
Oslo, City of 4⅞ 81	100	83⅜	83⅞	+0⅛	+2⅜	6.43
Shikoku El. Pwr. 4⅜ 89	100	93½	94	−0⅜	+4½	6.62
Stowaeq 4½ 91	60	89	89½	+1⅛	+4½	6.10
Voest-Alpine 4⅜ 89	50	91	91½	0	+4	6.02
World Bank 4⅜ 89	100	87½	88⅛	−0⅜	+1⅛	6.39
World Bank 4⅜ 89	150	85	85½	+0⅜	+3⅜	6.51
World Bank 4⅜ 01	100	84	84½	+0½	+3⅜	6.91

Average price changes. On day +0⅜ on week +3⅜

YEN STRAIGHTS	Issued	Bid	Offer	Change on day	Change on week	Yield
Australia 5 8 83	30	93½	94⅜	+0⅛	+1⅞	11.41
Australia 6½ 89	20	73⅜	74⅜	+0⅜	+0⅜	11.57
EIB 7⅜ 89	12	82½	83½	0	+3	10.69
Finland 5 8 83	10	91½	92½	+0⅜	+1⅛	12.10
Finland 8 8 88	10	74⅜	75⅜	+0⅜	0	11.79

Average price changes .. On day +0½ on week +1½

OTHER STRAIGHTS	Issued	Bid	Offer	Change on day	Change on week	Yield
Avco Fin 10⅜ 88 C$	25	77⅜	78⅜	0	−0½	16.23
Bell Canada 10⅜ 88 C$	90	85⅞	85⅞	−0½	+0⅞	14.26
Cr. Foncier 10⅛ 84 C$	30	85⅜	86⅛	−0⅜	+0⅞	14.96
Ex. Dev. Cpn. 10 84 C$	50	86⅜	87⅛	−0½	+1⅛	14.46
Fst. Can. Inv. 10 84 C$	50	85½	86⅜	−0⅜	+1⅛	14.75
Hudson Bay 10½ 89 C$	60	80⅜	81½	−0⅜	+2½	14.40
Quebec 10⅜ 86 C$	50	84	86⅛	+0⅛	+1⅛	14.23
R. Bk. Canada 10 86 C$	40	85⅜	85⅞	−1	+0½	13.91
R. Bk. Canada 10 84 C$	40	76½	77	−0⅜	+1⅛	13.83
Copenhagen 8⅜ 91 EUA	20	†89	90	+1⅛	+1⅛	10.34
M. Bk. Dnmk. 9 91 EUA	25	91⅜	92½	+0⅜	+1⅛	10.34
SOFTE 8⅜ 89 EUA	40	91⅜	92½	+0⅜	+1⅛	10.21
U. Bk. Nrwy. 9½ 90 EUA	18	82	83⅜	−0⅛	+0⅞	11.44
Algemene Bk. 8⅜ 84 Fl	75	97⅜	98⅞	−0⅜	−0⅜	6.86
Ned. Gasunie 8⅜ 84 Fl	50	†94½	95	+0⅛	+2⅜	6.74
Ned. Middbk. 8⅜ 84 Fl	75	†95	95½	+0⅜	+4⅜	10.17
Norway 8⅜ 84 Fl	190	†94	94½	+0⅜	+2⅜	10.08
Norway 8⅜ 84 Fl	100	†93⅜	94⅜	+0⅜	+3⅜	10.17
Philips Lamps 8⅜ 84 Fl	75	†94	94½	+1	+2⅜	9.88
Air France 11 84 FFr	120	†94⅜	95⅜	+1⅛	+2⅞	9.89
CECA 14⅜ 86 FFr	150	†93	94	−0⅜	+2⅜	12.98
Euratom 9⅜ 87 FFr	190	†101½	102½	−0⅜	+1⅞	13.73
Finland 11 84 FFr	80	†92½	93½	+0⅛	+4	13.11
Finland 11⅜ 89 FFr	70	83½	84½	+0⅛	+3⅛	13.36
Gaz de France 11 84 FFr	150	†88½	89½	+0⅛	+4⅜	13.58
IBM France 11⅞ 84 FFr	120	93	84	+0⅜	+2⅜	12.93
Renault 9⅜ 85 FFr	100	†94½	95½	+0⅞	+4	13.33
Saint-Gobain 6½ 86 FFr	130	85	86	−0⅜	+3⅜	13.79
Solvay et Cie 9⅜ 87 FFr	125	84	85	−0⅜	+3⅜	13.86
Citicorp O/S 13½ 90 £	50	81⅜	82⅜	+1⅛	+5	13.87
EIB 11½ 91 £	25	92⅜	93⅛	−0⅜	+2⅜	14.90
Finance for Ind. 13 81 £	75	90⅜	91½	−0⅜	+2⅜	14.69
Fin. for Ind. 12⅞ 89 £	30	88⅜	89⅛	−0⅛	+1⅞	14.78
Fin. for Ind. 14½ 88 £	20	97⅜	98½	+0⅛	+2½	14.98
Gen. Elec. Co. 12⅜ 89 £	50	90⅞	90⅞	−0⅜	+1⅛	14.45
Indonesia 8⅜ 81 KD	7	†93	93½	0	0	9.75
Mitsubishi 7½ 84 KD	10	†89⅜	90⅛	−0⅛	−0⅛	10.63
Norges Kom. 7½ 89 KD	12	†93⅜	93⅜	0	0	8.53
Occidental 8⅜ 01 KD	7	†90⅜	90⅜	0	0	8.66
Akzo 8⅜ 87 LuxFr	500	96½	97½	−0⅜	+3⅜	11.94
Euratom 8 87 LuxFr	500	83⅜	84⅜	+0½	+3⅜	11.40
Euratom 9⅜ 88 LuxFr	500	94⅞	95⅞	+1⅛	+5⅜	10.64
EIB 9⅜ 88 LuxFr	600	92⅜	93⅛	+0⅜	+2⅜	11.10
Volvo 8⅜ 87 LuxFr	500	91½	92½	+0⅜	+4½	11.35

FLOATING RATE NOTES	Spread	Bid	Offer	C.dte	C.cpn	C.yld
Allied Irish Bk. 5⅜ 87	0⅜	96⅜	97⅛	2/7	15⅛	15.61
Banco di Roma Int. 6 87	0⅜	98⅞	99⅜	26/4	15⅜	15.89
Bank of Ireland 5⅜ 83	‡0⅜	96⅞	97⅜	21/5	16⅞	10.60
Bank of Tokyo 5⅜ 88	‡0⅜	97⅛	97⅜	25/4	14.56	14.89
Barclays O/S Inv. 5 90	0⅜	96⅜	97⅜	13/0	14⅜	14.71
Bergen Bk. A/S 6 89	‡0⅜	96⅜	97⅜	29/5	17⅜	17.78
Bque. Indo Suez 5⅜ 89	0⅜	97	97½	11/7	14.69	15.10
Citicorp O/S F. 6 94	‡0⅜	99⅜	99⅞	6/6	18.81	18.88
Citicorp O/S F. 83	§‡0	98½	99⅜	23/5	10.06	10.20
Citicorp O/S F. 84	‡0	99⅜	99⅜	30/6	16.94	17.02
C. Itoh 5⅜ 87	0⅜	98⅜	98⅜	18/9	18.44	18.63
Co-operative Bk. 0 86	0⅜	97½	88	15/5	15.06	15.41
Creditanstalt 5½ 91	§‡0⅜	98⅜	98⅞	14/6	18.44	18.69
CNT 5⅜ 88	§0⅜	99⅜	99⅜	16/10	18⅜	16.24
GZB 5½ 88	‡0⅜	97⅞	98⅜	1/5	14⅜	14.90
Jugobanka 6 89	0⅞	98⅜	98⅞	14/6	18.44	18.89
Ind. Bank Japan 5⅜ 87	0⅜	91	92	23/5	16	17.49
LTCB Japan 5⅜ 85	0⅜	98⅜	99⅜	15/10	18⅜	19.04
LTCB Japan 5½ 89	0⅜	97⅜	97⅜	13/6	14⅜	14.92
Mfrs. Han. O/S 5⅜ 94	‡0⅜	98⅜	98⅞	30/5	17⅜	17.36
Midland Intl. Fin. 5 89	0⅜	96½	97	7/6	14.19	14.58
Nacional Fin. 6⅜ 88	0⅜	98	98½	20/5	15	15.27
Nat. West. 5⅜ 94	§0⅜	87⅞	97⅜	25/7	14.69	10.06
Nippon Credit 6½ 86	0⅜	97⅞	89⅜	11/10	18⅞	18.98
Nippon Credit 5⅜ 87	‡0⅜	95⅞	96⅜	12/7	14.44	16.02
Royal Bk. Scot. 5⅜ 94	§‡0⅜	98½	99⅜	11/7	19½	16.70
Sec. C. de Bque. 6½ 87	0⅜	98⅜	99⅜	3/10	20.06	20.27
Sogenal 5⅜ 89	§0⅜	96⅞	97⅜	13/7	14.44	14.87
Standard Chart. 5⅜ 90	0⅜	97⅞	89⅜	6/9	17⅜	17.58
Sweden 8½ 91	‡0⅜	†96⅜	97⅜	18/4	14.44	14.88
TVO Pwr. 8 91 (O-lock)	0⅜	†95⅜	96⅞	24/5	15.31	15.85
Williams & Glyn 5⅜ 01	0⅜	97½	98⅜	14/5	18½	18.90
Bq. E. d'Alg. 4⅜ 88 SF	0⅜	88	88½	18/6	0.69	7.76

Average price changes... On day 0 on week +0⅜

CONVERTIBLE BONDS	Cnv. date	Cnv. price	Bid	Offer	Chg. day	Prem
AGA Aktiebolag 7⅜ 89	10/79	†145	103½	104½	+1½	−9.48
Ajinomoto 7⅜ 95	2/80	918	88⅞	89⅞	−0⅜	0.24
Alco Int. Fin. 9½ 94	1/80	40	83⅜	85	+0⅜	29.81
Asahi Optical 7 94	11/79	†505	87½	88½	−0⅜	11.72
Canon 6⅜ 94	8/79	570	95⅜	96⅜	−0⅜	4.76
Ciba-Geigy O/S F. 4 94	8/79	675	70	71	−0⅜	7.06
Credit Suisse 4⅜ 93	10/79	1325	67½	89½	−0½	−0.68
Daiei Inc. 6½ 94	11/79	1020	90	91	+0⅜	39.04
Enserch Fin. 0⅜ 94	7/80	30.25	100⅜	101⅜	+0⅜	11.40
LPC Internatnl. 8 89	8/79	23.33	94½	95½	+0⅜	19.96
Meidensha Elec. 7 94	12/79	†210	90⅜	91⅜	+1	20.40
Mitsubishi Cp. 6½ 94	10/79	604	114½	110	−0⅜	11.37
Nippon Seiko 7⅜ 94	12/78	339	98½	99½	+0⅜	−1.72
Nitto Elec. Ind. 6 94	7/79	†735	63½	65	+0⅜	0.22
Toshiba Cpn. 7⅜ 94	10/79	198	88⅜	89⅜	+0⅜	7.18
Union Bk. Switz. 5 89	2/80	125	88⅜	90⅜	−2	−9.04
Fujitsu 5 84 DM	7/79	475	92⅜	93	0	13.32
Kansai Elec. 4 84 DM	4/79	1234	83	84	−0½	56.80
Tokyu Ld. Co. 4 86 DM	4/79	493	73⅜	74⅜	+0⅜	47.84
Uny Co. 6½ 85 DM	11/79	1071	88⅞	89⅜	+0⅜	43.92

* No information available—previous day's price.

† Only one market maker supplied a price.

Straight Bonds: The yield is the yield to redemption of the mid-price; the amount issued is in millions of currency units except for Yen bonds where it is in billions. Change on week = Change over price a week earlier.

Floating Rate Notes: Denominated in dollars unless otherwise indicated. Coupon shown is minimum. C.dte = Date next coupon becomes effective. Spread = Margin above six-month offered rate (‡ three-month; § above mean rate) for U.S. dollars. C.cpn = The current coupon. C.yld = The current yield.

Convertible Bonds: Denominated in dollars unless otherwise indicated. Chg. day = Change on day. Cnv. date = First date for conversion into shares. Cnv. price = Nominal amount of bond per share expressed in currency of share at conversion rate fixed at issue. Prem = Percentage premium of the current effective price of acquiring shares via the bond over the most recent price of the shares.

Pechiney Ugine Kuhlmann shows sharp improvement

BY TERRY DODSWORTH IN PARIS

A SHARP improvement in last year's results of Pechiney Ugine Kuhlmann, the diversified French metals and chemicals group, was mainly due to a sustained upswing in the world aluminium market, combined with improved conditions in the stainless steel business.

Consolidated profits rose to FFr 991m ($225m) compared with FFr 261m in 1978, with turnover rising to FFr 33.9bn against FFr 27.7bn. About FFr 230m of the 1979 profit was due to asset sales, against FFr 125m in the previous year.

Peciney's improved performance follows a far-reaching reorganisation designed to cut its losses in industries where it has faced difficulties in recent years, while releasing funds for investment in growth sectors.

It recently sold most of its holding in the Rhone-Poulenc chemicals group, and in the course of the last 12 months has divested itself of the essential part of its interests in radiator production, fertilisers, wire and cable manufacturing, and tungsten treatment. The bulk of inevtsment is going into the aluminium and nuclear fuels business.

A decision on the future of PUK's special steels subsidiary is expected shortly. It is probable that this activity will also be sold, or join a co-operative venture. But in the meantime, Pechiney has succeeded in cutting its heavy losses in steel manufacturing. The consolidated deficit in this business fell from FFr 524m in 1978 to FFr 166m last year.

Because of this turnround in special steels, PUK pulled its French activities back into profit last year. In 1978, they were in overall loss, the gruop profits coming entirely from overseas sources. The forlegn businesses again performed better than the home activities in 1979, and contributed the major part of the earnings.

The group says that it has started this year well, improving both its sales and earnings in the first few months, and pulling the special steels business back onto a sound financial footing.

zConsolidated cash flow last year rose 117 per cent to FFr 2.6bn against FFr 1.2bn.

Despite the improved consolidated results from the group, PUK's parent company has declared heavy losses of FFr 1.3bn after provisions of FFr 536m for depreciation in Ugine Steels, and a further provision of FFr 1bo against exceptional risks. The company is proposing a dividend of FFr 7 a sbare against FFr 7.50 in 1978.

St. Gobain confirms pact with Olivetti

PARIS — Saint - Gobain-Point-a-Mnusson confirmed yesterday that it will acquire a minority but significant stake in the capital nf Olivetti, Italy's leading electronics and office equipment group.

The accord, expected to be announced in the next few days, will be "industrial and financial" and subject to government approval in both countries, Saint-Gobain said.

An agreement with Olivetti is consistent with Saint-Gobain's new strategy of diversification into data-processing, a move encouraged by the French government.

The French company recently acquired 20 per cent of CII-Honeywell-Bull, the French-U.S. computer company and expects to increase the stake in the near futnre. It also has a 51 per cent interest in an integrated-circuit plant being built in southern France with National Semiconductor of the U.S.

The ultimate goal of Saint-Gobain is to form the nucleus for a European electronics and office equipment group—but one which "is not directed against the Americans," the company said.

Industry observers do not rule on the possibility nf cooperation, in the longer term, between Olivetti and Honeywell-Bnll.

They point ont that the two companies are complementary, and that Honeywell-Bull, in which Honeywell Information Systems of the U.S. has a 47 per cent interest, does not bave the financial base to branch ont into the growing field of sophisticated office equipment.

Olivetti and Matra nf France recently announced agreement for a joint-venture to develnp and prodne equipment for the electronic transmissioo of mail and written documents over telepbone lines.

AP-DJ

Norwegian smelter pays more

BY FAY GJESTER IN OSLO

NORWEGIAN metals, mining, manufacturing and engineering concern Elkem - Spigerverket (E-S) reports a sharp increase in turnover and profits for 1979. A 12 per cent dividend is recommended, compared with 8 per cent.

The results reflect continuing strong demand for ferrn alloys and aluminium and an improvement in the market for steel.

Group profit reached NKr 263m ($47.8m), after ordinary depreciation of NKr 161m but before tax and allocations. This compares with NKr 33m in 1978, after depreciation of NKr 139m. Group turnover rose to NKr 3.57bn from NKr 3.06bn, and exports from the group's Norwegian plants accounted for about two-thirds nf total sales.

Investment last year totalled NKr 193m, compared with NKr 117m. The year saw a considerable increase nn the group's overseas activities, including the takeover of the UK company, Bidston Steel, whose activities have been coordinated with E-S's Manchester Steel, a mini steel plant.

Production was started last year at Icelandic Alloys, a ferro silicon plant in Iceland in which the group has a 45 per cent stake. In the U.S., E-S acquired Austin Holloway, manufacturers of steel cables.

By end 1979, foreign emplnyees accounted for about 1,200 of E-S's 9,500 labour force.

While steel, aluminium and ferro alloy divisions benefited from strong world demand, the engineering division booked fewer orders than a year earlier. The division supplies equipment for the world's metal smelting industry, for which expansion is currently restricted by the energy crisis.

Profits on sales of manufactured goods, which go mainly to the Norwegian market, were hit by last year's price freeze. The report notes, however, that because of the freeze costs rose less last year than in the preceding years.

● The Norwegian loan institute for shipbuilding Låaneinstituttet for Skipsbyggeriene is floating a NKr 100m, 10-year domestic bond at par, with a coupon of 10 per cent. The bond goes on sale today and tomorrow.

Jaeger lifts earnings

By Our Financial Staff

INCREASED profits and a higher dividend were announced yesterday by Jaeger, the French vehicle instrumentation and watch making group.

Group income last year was FFr 29.3m ($6.7m) compared with FFr 2.4m, and as a result cash-flow expanded by a fifth to Fr 92.2m. The net dividend is Fr 8 per share, against FFr 7.10.

Sales figures are not available but following a rise of more than a quarter in sales for the first half of 1979, the company forecast an annual turnover of FFr 1.2bn compared to FFr 957m for 1978.

State subsidy for iron and steel producer

BY OUR OSLO CORRESPONDENT

THE NORWEGIAN Government proposes tn spend NKr 700m ($140m) over the next five years to subsidise production and finance investment in Norsk Jernverk, Norway's state-owned iron and steel prodncer.

It recommends an initial allocation of NKr 100m this year, half as an increase in sbare capital and the rest as an operating subsidy. The remaining NKr 600m will be allocated in the state budgets for the next four years.

In its report to the Storting (Parliament) the Government attributes Jernverk's operating loss over the past few years to the world steel crisis. It points out that in Western Europe many governments have acted to strengthen their national steel industries. Norway bas no alternative but to follow suit if it wants to keep Jernverk in operation.

Last year, Jernverk made a loss of NKr 100m, compared with one of NKr 171m in 1978. It expects to be profitable by 1983 or 1984.

Remy Martin plans Hong Kong issue

By Our Financial Staff

REMY MARTIN, one of France's big four cognac producers, is to go public in the Far East with a share issue that will raise the equivalent nf $17.5m.

Next Tuesday will see the publication in Hong Kong of a prospectus for Remy Martin (Far East) which will offer 12.5m shares (25 per cent of its capital) for sale at HK$7 a share.

HANOVER TRADE FAIR

Modest profits gain for Nixdorf

BY KEVIN DONE IN HANOVER

NIXDORF, the West German computer group, has continued its recent record of rapid sales growth, increasing world turnover last year by 23 per cent to DM 1.25bn ($665m).

Group after tax profits—Nixdorf has published consolidated world accounts for the first time—totalled DM 85m. This was a small increase over the previous year, said Dr. Ewald Keysers, board member for finance, but he was unable to give a comparable figure for 1978.

The profitability of the parent concern showed a sharp drop last year, however, with after tax profits falling to DM 23.4m compared with DM 33.1m in 1978. But Nixdorf is still paying a slightly increased dividend of DM 8 per share, compared with DM 7.50.

The growth of sales and new orders has continued strongly into the current year with sales rising by more than 20 per cent in the first quarter. Nixdorf's order book atood at just over DM 1bn at the end of March, np by about 16 per cent from the end of 1979. The workforce increased by abont 1,400 last year to almost 12,000.

Investment last year totalled DM 165m with the bulk spent on expanding capacity. Prodnction capacity at the main West German plant at Paderborn will be increased by about 40 per cent this year. Research and development expenditure is expected to reach about 10 per cent of sales this year, which is above the average for the electronics industry in West Germany.

No decisions had yet been taken on the future deployment of the 25 per cent shareholding in Nixdorf held by Deutsche Bank, said Herr Helmut Rausch, a member of the executive board.

The group received a DM 200m capital injection from Deutsche Bank at the end of 1978 to aid future expansion.

Under the agreement the bank will hold its 25 per cent until the beginning of 1982, when a decision on it must be taken. Nixdorf is still majority family-owned with Herr Heinz Nixdorf as the cbairman of the executive board.

The further expansion of the Nixdorf group is being focused on extending customers' computer networks with the addition of new applications. Has a customer-base of more than 70,000 installations. The company ia also entering fields such as energy technology witb a control ssytem for the burning of aolid fuels.

Fried. Krupp sees no signs of recession

BY KEVIN DONE

FRIED. KRUPP, the West German steel, trading and mechanical engineering group, said that it saw no signs of a recession emerging in West Germany this year, and it was counting on domestic industry continuing tn invest at a high level this year.

There were signs of weakening demand from abroad, however, and generally lower growth was expected in the Western industrialised countries.

Herr Helmut Metzger, a member of the board of Fried. Krupp, said that in the first three months of the year it took new orders worth DM 3.6bn ($1.9bn) wnrldwide, an increase of 8 per cent on the first quarter of last year. The steelmaking and trading sectors had shown the main rise.

Like Krupp, most major West German companies gathering in Lower Saxony this week for the Hanover Trade Fair, the largest capital goods fair in the wnrld, still appeared to be enjoying the high level of activity reacbed last year.

They are wary, however, about making firm predictions for the second half of 1980, and some concern is being expressed about tbe effects of the U.S. high tecbnology trade embargo against tbe USSR.

Dr. Hans Guenter Mneller, chairman of Mannesmann Demag, the pipeline and process plant building concern, said that the embargo was being felt in the area of special computers and control syatems. He expressed doubts about the results of such an embargo, and warned that it involved dangers for employment and economic activity in Western countries. He said his company was trying to sustain deliveries in non-critical product sectors.

The West German mechanical engineering industry's new orders in the first two months of the year were up 17 per cent from a year earlier, he said.

Mannesmann Demag had boosted its new orders in the first three months of 1980 by 134 per cent to DM 3bn, largely as a result of a number of large proces plant nrders, including a DM 440m order from Cbina. Last year, process plant accounted for 54 per cent of new orders, but in the first quarter of this year its share jumped to 68 per cent.

Herr Metzger said the procesa plant and mechanical engineering industry would have to adapt its manufacturing capacity to meet new conditions.

"A decline in the amount of manufacture at home is unavoidable," ha aaid.

"Our customers abroad, especially those in the industrialising aod developing countries, are increasiogly demanding local manufacture. What is more, plant contractors nowadays are compelled, for reasons of cost, to buy from sub-suppliers throughout the world in order to remain competitive."

Oppenheim expects slow growth

BY ROGER BOYES IN BONN

SAL OPPENHEIM und Cie, one of West Germany's leading privately-owned banks, expects slow growth in profits this year, despite a slight easing of pressure on its interest rate margins. Tbis factor—which has been troubling other German banks—also pushed the bank's earnings last year below the high levals of 1978.

Nonetheless, the interest surplus as a whole increased last year, and together with foreign exchange earnings, adequately covered the substantial increase in administrative costs. The bank's balance sheet total increased by 7.2 per cent to DM 2.9bn ($1.5bn)—a sbarper increase than in 1977-78.

Busines volume rose by 5.2 per cent to DM 3.3bn. The group's balance abeet total rose by 6.1 per cent to DM 9bn, while business volume increased by 5.5 per cent to DM 9.4bn.

Despite the bank's caution over its earnings outlook, there are a number of factors that are expected to work in its favour, including lively demand on tbe credit side, a sligbt improvement in interest margins fnllowing the central bank's recent move to raise interest rates, and the prospect of more foreign business.

● In Tuesday's report on the Berliner Handels und Frankfurter Bank, it was reported that the bank would cut its workforce by 10 per ceot this year. This should have read "during the 1980s." The bank hopes to achieve the reduction through early retirements and natural wastage.

Setback for Lauritzen

By Hilary Barnes in Copenhagen

LAURITZEN, the shipping and industrial group, reported net earnings down from DKr 169m ($28.7m) to DKr 108m. An unchanged 8 per cent dividend will be paid by the parent company, J. Lauritzen Holdings.

Earnings deteriorated in the group's shipping, shipbuilding and manufacturing interests. The drop in earnings by the DFDS Shipping company from DKr 102m to DKr 13m contributed substantially to the decline.

Dai-Ichi Kangyo to issue CDs in SDRs

TOKYO — Dai-Ichi Kangyo Bank said that it plans to issue the first certificates of deposit (CDS) denominated in special drawing rights (SDRs,) to a total of 15m SDRs, (equivalent to around $19m) on the Eurocurrency market.

The CDS will have a three-year maturity, with floating interest rates basad on the weighted interest rates of the U.S., West German, UK, French, and Japanese currencies nn the Eurocurrency market. The initial interest rate will be about 15 per cent per annum.

Morgan Stanley and Cnmpany will underwrite the CDS, fnr which subscription will open shortly.

The bank will also start receiving sbnrtly three-mnnth and six-mnnth deposits denominated in SDRs, mainly at overseas branch nffices.

The deposits should be a minimum of 5m SDRs and will nffer initial interest rates slightly above 14 per cent per annum for three-month deposits and about 14 per cent for six-mnnth deposits.

The issue of SDR-denominated CDS and SDR-denominated deposits would diversify the bank'a fund-raising aources and npen a fresh channel for capital flows into Japan, the bank said.

West European institutional investors and central hanks nf oil-producing countries were expected to invest in the SDR-denominated CDS or deposits because nf smaller currency risks and narrower fluctuations in interest rates than single-currency denominated CDS or depnsits.

The U.S. dollar will be the only currency accepted fnr tha SDR CDS or deposits, Dai-Ichi Kangyo Bank said.
Renter

News Corporation suffers first-half downturn

BY JAMES FORTH IN SYDNEY

NEWS CORPORATION, the international press group controlled by Mr. Rupert Murdoch, suffered a 19.3 per cent downturn in profit for the Decemher half, from A$15.1m to A$12.18m (US$ 13.3m). The directors said that the fall in trading profit was largely the result of the launching of the gambling game, Lotto in New York, and higber charges in Australia for tax, interest, and depreciation. Otherwise the group's major trading operations lifted their profits.

The result is the first aince the recent capital reconstruction involving the News Corporation being formed as a bolding company to replace the former parent company, News Ltd. Tha reconstruction resulted in an effective one-for-one scrip issue.

The profit is after an increase in tax from A$4.84m to A$5.44m, and in depreciation from A$1.73m to A$2.41m. The interest bill rose from A$3.17m to A$4.84m. Gross revenua increased 19.8 per cent, from A$110.5m to A$132.4m

News Corporation has already announced an interim dividend of 4 cents a sbare, which is an effective increase of 2 cents on the interim paid last year by News Ltd. In addition to the trading aurplus, News made profits of A$19.5m from none-trading activities, mainly representing the sale of the Adelaide television station, NWS-9, and the Wollongong television station, WIN-4.

During tha half-year, News gained control of United Telecasters, Sydney, and a 50 per cent stake in the airline, transport and television group, Ansett Transport Industries. News now holds more than 70 per cent of United Telecasters and is bidding for the remainder. The results in the current half will reflect the Ansett holding for tha first time, and a greater percentage of United Telecasters profits. As reported yesterday, the UK arm, News International, publisher of the News of the World and the Sun, and 49.9 per cent owned by News Corporation lifted pre-tax earnings frnm £24.9m to £27.9m (US$60.9m) in the year to December.

EPDC stake in Athol blocked

BY OUR SYDNEY CORRESPONDENT

THE AUSTRALIAN Government has rejected an application by the Japanese power utility, Electric Power Development Company (EPDC) to purcbase a 19 per cent stake in the A$500m (U.S.$545m) Blair Athol steaming coal project in Queensland. The rejection bas thrown the future of the venture into confusion.

In February EPDC signed a letter of intent with the sbarehnlders nf Blair Athol, the Rio Tinto-Zinc Corporation offshoot Conzinc Riotino nf Australia (CRA), and the major U.S. oil company, Arco. EPDC was to have an option to purchase 19 per cent of Blair Athol, exercisable on the conclusion of sales contracts for the Japanese group to take 5m tonnes of coal a year for 15 years, tngether with financing assistance.

The wording indicated that the two elements could be inter-dependent and the Government's rejection of one element casts donbt upon the other.

CRA officials were unable to clarify the position. EPDC's application was rejected by Mr. John Howard, the Federal Treasurer and was based on a recommendation by the Foreign Investment Review Board.

The arrangement was rejected because it did not meet the general rule that new mining projects must bave a local equity of at least 50 per cent. If the deal bad gone through CRA would bave had a 50.22 per cent equity and Arco 30.78 per cent. Both companies are classed as "naturalising" because tbey bave given an undertaking to lift their lncal equity content to 51 per cent.

Under the Government's formula they are allowed tn count 50 per cent nf their interest as local equity, which together would amount to 41 per cent, still 9 per cent short of the required level. The foreign ownership guidalines allow the 50 per cent equity to be waived if it is considered to be in the natinnal interest, but this step has not been taken.

The Blair Athol partners are attempting tn work nut a compromise, bnt CRA is loath to reduce its stake any further because it would no longer bave outright control. CRA has been working on the Blair Athol project for almost a decare. At one stage, in 1976, it was shelved because steaming coal prices did not justify development, but the recent increase in demand for steaming coal for power generation, led to its revival.

Tongaat earnings exceed forecast

By Jim Jones in Johannesburg

TONGAAT, the South African sugar, building materials, textiles and foodstuffs conglomerate, has reported a 34.9 per cent rise in attribntable earnings to R16.95m ($21m) for the year to March 31, from R12.6m in 1978-79.

Following an earnings projection of 70 cents per share at the start nf the financial year, the management increased its estimate to 75 cents at the half-way stage. In the event, aarnings per ahare rose to 80.0 cents, from 60.7 cents.

Thougb no details are provided in the preliminary announcement of results, Tongaat's operations bave improved across tha board. At the balf way stage the 74.7 per cent-owned building materials manufacturer, Toncoro, bad increased taxed profits to R3.8m from R1.4m. The improvement has persisted with the country's building sector emerging from recession.

On the other hand, while sugar earnings bave advanced, a setback in the sector could be in the offing, in view of the widespread drought conditions in the Natal growing region threatening the current year's crop. Elsewhere, Tongaat is pursuing growth through acquisition. A R15m bid for H. Lewis, tha cotton, oil, soap and maize milling group, is under way, while a R13.6m bid for the R30m turnover Hebox textiles group is still to ha completed.

Tnngaat'a proposed 21 cents final, which compares with 16 cents, will lift the year's total distribution to 30 cents, against 23.2 cents.

Stock profits boost Shell Malaysia

BY WONG SULONG IN KUALA LUMPUR

AFTER-TAX profit of Shell Refining Company of Malaysia for the year ending December, 1979 rose sbarply to 34.4m ringgit ($15m) from 15.2m ringgit, but the company said this was "entirely due to one-time stock profits which arose as a result of the rapid increase in crude oil prices during the year. "The final dividend is 12.5 per cent making 20 per cent for the year against 17.5 per cent for 1978. Turnover rose hy 44 per cent to 935m ringgit, reflecting higher prices of oil products during the year.

Shell said the refining level for 1979 averaged 69,770 barrels per day, representing an increase of 8.5 per cent. Refiniog for third parties rose by 14.5 per cent to 20,480 barrels per day.

Shell said that without the one-time stock profits, the result would bave been considerably lower than for the previous and if calculated on a current cost accounting basis, the actual result would have heen a loss of 4.5m ringgit.

Shell, which together with foreign nil companies, has been seeking a price increase to compensate for the OPEC price rise of last November, but the Malaysian Government appears to be delaying its permission for as long as possible.

The Government feels that foreign oil companies are benefitting in two ways—from their share of Malaysian oil under production sharing agreements, and from passing on to Malaysian consumers the full impact of OPEC price increases.

Terms for Bank Leumi rights issue

By L. Daniel in Tel Aviv

BANK LEUMI le Iarael, the country'a oldest and largest bank, has publisbed its prospectus for what will he the largest ever rights issue on the Tel AVIV Stock Exchange. The bank is to raise I£1.5bn (U.S.$37.5m) whicb will bring its capital means to I£20bn.

The issue consists of I£290.8m nominal of ordioary sharea at I£3.50 per share; I£87.2m of options at I£3; and a further I£70m of options at the same price for the employees and pensinners of the bank. The shares and options will be sold in the form of 29.1m units, each consisting of ten shares and three options.

Each bnlder of shares, capital notes, or options is eligihle in the proportion nf one unit per holding of 100 shares or the equivalent.

The Bank did not raisc any additinnal capital on the local market in 1979, but did turn to the Eurodollar market through its subsidiaries. The issue price is about 60 per cent of the current quotation for shares already traded on the exchange.

Inchcape buys forest stake

By Georgie Lee in Singapore

INCHCAPE BERHAD bas acquired a 35 per cent stake in a Papupa New Guinea timber company, Commonwealth New Guinea Timbers, at a cost of about S$9.28m (US$4.1m).

The company, which is ot be renamed PNG Forest Products Pty, is involved in a wide range of timber processing.

For the year to December, pre-tax profits of the company were S$2.63m. Howcvre, in the current year pre-tax profit is expected to reach S$7.93m (US$3.5m).

VONTOBEL EUROBOND INDICES
14.5.76 = 100%

PRICE INDEX	15.4.80	8.4.80	AVERAGE YIELD	15.4.80	8.4.80
DM Bonds	89.75	86.69	DM Bonds	9.538	9.961
HFL Bonds & Notes	88.80	84.94	HFL Bonds & Notes	10.695	11.286
U.S. $ Strt. Bonds	81.32	80.21	U.S. $ Strt. Bonds	12.706	12.948
Can. Dollar Bonds	82.74	82.53	Can. Dollar Bonds	13.395	13.429

Companies and Markets

CURRENCIES, MONEY and GOLD

Dollar slumps

THE DOLLAR fell sharply in currency markets yesterday following a cut in U.S. prime rates to 19¾ per cent from 20 per cent, started by Chase Manhattan Bank. The U.S. unit had been slightly softer in fairly inactive trading before the announcement, but suffered heavily afterwards. Dollar sentiment was further undermined by continued uncertainty over the situation in Iran. However dealers suggested that yesterday's fall was more a short term reaction rather than the beginning of any sustained fall in the dollar, pointing out that central banks were likely to prevent any prolonged deterioration of the U.S. unit, and that the Middle East situation could possibly affect other currencies even harder than the dollar.

Euro-dollar rates were correspondingly lower, following the fall in prime rates. The three-month rate fell to 17⅞ per cent from 18⅜ per cent and the one-year rate was lower at 16 per cent against 16⅜ per cent.

Against the D-mark the dollar finished at DM 1.8660, sharply lower than Tuesday's closing level of DM 1.9050, and its lowest level for nearly a month. After hours quotations saw it fall even further to DM 1.8610. In terms of the Swiss franc, the U.S. unit fell to SwFr 1.7330 compared with SwFr 1.7850 previously. The Japanese yen was also stronger, and the dollar fell to Y249.30 from Y252.80. On Bank of England figures, the dollar's trade weighted index fell from 89.39 to 89.0.

Sterling was much firmer against the dollar but down against European currencies, and this was reflected in its trade weighted index, which rose to 72.8 from 72.7, having stood at 72.8 at noon and in the morning. Against the dollar it opened at $2.1985 and eased to $2.1950 on early dollar demand, but came back to $2.1975 around noon. During the afternoon it fell to a low of $2.1935, but rose sharply, as the dollar reacted to the prime rate news, to a high of $2.2190. It closed at $2.2175-2.2185, a rise of 3.25c.

D-MARK — Weaker within the European Monetary System and against the dollar, following expectations of a continuing balance of payments deficit in Germany and effects of anti-inflation measures and higher interest rates in the U.S. — The dollar was hardly changed at the fixing at DM 1.8908 compared with DM 1.8910 on Tuesday, and there was no intervention by the Bundesbank. Dealers thought that the dollar may improve further following a decision by the Bundesbank not to hold a press conference after today's

BELGIAN FRANC — One of the weakest members of the EMS, but central bank intervention and record interest rates have lifted the franc above its floor within the system — The Belgian franc was largely unchanged on balance against other EMS currencies in Brussels, rising against the D-mark and French franc, but easing in terms of the Dutch guilder and Danish krone. The latest weekly statement by the National Bank of Belgium showed that the authorities spent over BFr 2bn last week supporting the Belgian franc, mainly against the French franc, which is the strongest EMS currency. This is compared with an estimated BFr 4.6bn spent in the previous week, and reflects a slight easing of pressure against the Belgian franc. Yesterday's fixing saw both sterling and the U.S. dollar improve against the franc.

THE POUND SPOT AND FORWARD

April 16	Day's Spread	Close	One month	% p.a.	Three months	% p.a.
U.S.	2.1935-2.2190	2.2175-2.2185	0.03cpm-0.07dis	−0.11	0.37-0.47dis	−0.76
Canada	2.6120-2.6330	2.6305-2.6315	0.50-0.40c pm	2.05	0.63-0.53 pm	0.88
Nethlnd.	4.52-4.57	4.53-4.54	3-2c pm	6.51	7¼-6¼ pm	6.39
Belgium	66.50-66.95	66.65-66.75	4c pm-6 dis	−0.18	12-2 pm	0.42
Denmark	12.88-12.94	12.88¼-12.89¼	1½-3ore dis	−2.09	9-10½ dis	−3.03
Ireland	1.1000-1.1095	1.1013-1.1023	0.14-0.09p pm	1.25	0.38-0.33 pm	1.29
W. Ger.	4.12-4.17	4.13½-4.14½	3⅜-2⅜pf pm	8.33	8⅞-7½ pm	7.73
Portugal	111.00-112.20	111.85-112.05	10-50c dis	−3.21	25-130 dis	−2.77
Spain	158.90-160.90	159.70-159.80	10-50c dis	−2.25	140-200 dis	−4.26
Italy	1932-1942	1933½-1934½	9-7lire pm	4.96	6-4 pm	1.03
Norway	11.17-11.23	11.21-11.22	3¾-2¾ore pm	3.08	9½-8 pm	3.12
France	9.56-9.63	9.61½-9.62½	4-3c pm	4.36	10¼-9¾ pm	4.26
Sweden	9.65-9.69	9.65¾-9.66¾	3½-3ore pm	4.19	9⅝-8½ pm	3.67
Japan	550-558	552½-553½	2.35-2.00y pm	4.72	5.45-5.10 pm	3.81
Austria	29.60-29.86	29.78-29.83	20-15gro pm	7.04	56-45 pm	6.71
Switz.	3.83-3.90	3.84-3.85	3¼-2¾c pm	8.58	6⅞-6⅛ pm	0.75

Belgian rate is for convertible francs. Financial franc 68.75-68.85. Six-month forward dollar 0.37-0.47c dis. 12-month 0.15-0.05c pm.

THE DOLLAR SPOT AND FORWARD

April 16	Day's Spread	Close	One month	% p.a.	Three months	% p.a.
UK†	2.1935-2.2190	2.2175-2.2185	0.03cpm-0.07dis	−0.11	0.37-0.47dis	−0.76
Ireland†	1.9825-2.0100	2.0060-2.0100	0.25-0.15c pm	1.21	0.30-0.20 pm	0.50
Canada	1.1874-1.1920	1.1893-1.1896	0.33-0.30c pm	3.17	0.60-0.55 pm	1.93
Nethlnd.	2.0655-2.0710	2.0655-2.0670	1.23-1.16c pm	6.93	3.81-3.74 pm	7.30
Belgium	30.06-30.41	30.05-30.07	3-1½c pm	0.89	12-18 pm	1.38
Denmark	5.8570-5.8760	5.8725-5.8750	0.50-1.00ore dis	−1.53	2.25-2.75dis	−1.70
W. Ger.	1.8640-1.8950	1.8655-1.8665	1.38-1.28pf pm	8.55	4.18-4.08 pm	8.85
Portugal	49.75-50.65	49.75-50.00	5c pm-20 dis	−1.78	par-45 dis	−1.78
Spain	72.00-72.42	72.00-72.10	15-25c dis	−3.32	50-70 dis	−3.32
Italy	880.50-882.50	880.50-881.50	1¾-¾lire pm	1.70	2½-1 pm	0.79
Norway	5.0830-5.0970	5.0945-5.0965	1.75-1.25ore pm	3.53	5.75-5.25 pm	4.32
France	4.3350-4.3765	4.3350-4.3400	1.83-1.73c pm	4.89	5.80-5.60 pm	5.22
Sweden	4.4000-4.4030	4.4000-4.4010	1.70-1.30ore pm	4.09	5.20-4.80 pm	4.54
Japan	249.00-252.20	248.25-249.35	1.05-0.90y pm	4.69	3.05-2.90 pm	4.77
Austria	13.64½-13.49½	13.47½-13.49½	8.70-8.00gro pm	7.43	27.50-25.00pm	7.79
Switz.	1.7220-1.7740	1.7325-1.7335	1.46-1.36c pm	8.83	4.80-4.72pm	10.99

† UK and Ireland are quoted in U.S. currency. Forward premiums and discounts apply to the U.S. dollar and not to the individual currency.

CURRENCY RATES

April 15	Bank rate %	Special Drawing Rights	European Currency Unit
Sterling	17	0.574745	0.607577
U.S. $	13	1.06529	1.56576
Canadian $	16.6	1.40940	1.58434
Austria Sch.	6¾	17.0506	17.8927
Belgian F.	14	38.5788	40.5403
Danish K	13	7.42185	7.84090
D'Mark	7	2.58888	0.52101
Guilder	6½	2.61575	2.76181
French Fr.	9½	5.51000	5.83192
Lira	15	1115.58	1177.47
Yen	9	512.788	535.808
Norwgn. Kr.	9	6.44531	6.80168
Spanish Pts.	8	91.2618	96.5619
Swedish Kr.	10	5.4774	5.86368
Swiss Fr.	5	2.22654	0.35083

CURRENCY MOVEMENTS

April 16	Bank of England Index	Morgan Guaranty Changes %
Sterling	72.8	−52.8
U.S. dollar	89.0	−4.7
Canadian dollar	80.7	−17.8
Austrian schilling	155.0	+20.0
Belgian franc	114.1	−15.1
Danish kroner	106.0	−5.5
Deutsche mark	153.2	−44.2
Swiss franc	195.0	+78.4
Guilder	124.9	+19.5
French franc	100.5	−5.7
Lira	53.3	−50.7
Yen	116.2	+14.8

Based on trade weighted changes from Washington agreement December, 1971 (Bank of England Index=100).

OTHER CURRENCIES

April 16	£	$		£ Note Rates
Argentina Peso	6786-6806	1750-1777	Austria	28.50-29.80
Australia Dollar	2.0210-2.0260	0.9120-0.9130	Belgium	68.30-68.80
Brazil Cruzeiro	104.15-106.16	48.14-48.34	Denmark	12.83-13.00
Finland Markka	8.42-8.44	3.8350-3.8350	France	9.65-9.81
Greek Drachma	91.801-93.860	41.80-40.10	Germany	4.14-4.17
Hong Kong Dollar	11.05-11.05	5.0050-5.0100	Italy	1905-1955
Iran Rial	n/a	n/a	Japan	553-558
Kuwait Dinar(KD)	0.601-0.611	0.2756-0.2757	Netherlands	4.52-4.55
Luxembourg Frc.	66.65-66.75	30.06-30.07	Norway	11.16-11.23
Malaysia Dollar	5.0680-5.0600	2.2880-2.2930	Portugal	108½-111
New Zealand Dlr.	2.3510-2.3570	1.0515-1.0530	Spain	154-161½
Saudi Arab. Riyal	7.36-7.56	3.3300-3.3305	Sweden	9.65-9.70
Singapore Dollar	4.8670-4.8480	2.2300-2.2670	Switzerland	3.85½-3.80½
Sth. African Rand	1.7890-1.7910	0.8065-0.8075	United States	2.19½-2.20½
U.A.E. Dirham	8.16-8.26	3.7370-3.7380	Yugoslavia	50-58

Rate given for Argentina is free rate.

EMS EUROPEAN CURRENCY UNIT RATES

	ECU central rates	Currency amounts against ECU April 16	% change from central rate	% change adjusted for divergence	Divergence limit %
Belgian Franc	39.7897	40.5518	+1.92	+1.01	±1.53
Danish Krone	7.72336	7.83566	+1.45	+0.54	±1.64
German D-Mark	2.48208	2.52232	+1.62	+0.71	±1.125
French Franc	5.84700	5.83541	−0.20	−1.11	±1.3557
Dutch Guilder	2.74362	2.76195	+0.67	−0.24	±1.512
Irish Punt	0.668201	0.672298	+0.61	−0.30	±1.668
Italian Lira	1157.79	1176.82	+1.64	+1.24	±4.08

Changes are for ECU, therefore positive change denotes a weak currency. Adjustment calculated by Financial Times.

EXCHANGE CROSS RATES

April 16	Pound Sterling	U.S. Dollar	Deutschem'k	Japan'se Yen	French Franc	Swiss Franc	Dutch Guild'	Italian Lira	Canada Dollar	Belgian Franc
Pound Sterling	1.	2.218	4.140	555.0	9.620	3.846	4.535	1854.	2.631	66.70
U.S. Dollar	0.451	1.	1.867	248.3	4.337	1.734	2.045	872.0	1.186	30.07
Deutschemark	0.242	0.536	1.	133.8	2.324	0.920	1.095	467.1	0.636	16.11
Japanese Yen 1,000	1.808	4.011	7.486	1000.	17.40	6.953	8.201	9497.	4.758	120.6
French Franc 10	1.040	2.306	4.304	574.8	10.	3.987	4.714	2010.	2.735	69.33
Swiss Franc	0.260	0.577	1.077	143.8	2.502	1.	1.179	503.0	0.684	17.35
Dutch Guilder	0.221	0.489	0.913	121.9	2.121	0.848	1.	406.6	0.580	14.71
Italian Lira 1,000	0.517	1.147	2.141	285.9	4.974	1.988	2.345	1000.	1.360	34.49
Canadian Dollar	0.380	0.843	1.574	210.2	3.655	1.461	1.724	735.1	1.	25.35
Belgian Franc 100	1.499	3.325	6.207	829.1	14.42	5.765	6.709	2900.	3.945	100.

EURO-CURRENCY INTEREST RATES

The following nominal rates were quoted for London dollar certificates of deposit: one-month 17.40-17.50 per cent; three-months 17.55-17.65 per cent; six months 17.30-17.40 per cent; one year 15.50-15.60 per cent.

April 16	Sterling	U.S. Dollar	Canadian Dollar	Dutch Guilder	Swiss Franc	West German Mark	French Franc	Italian Lira	Asian $	Japanese Yen
†Short term	17-17¼	18⅛-18⅜	8½-9½	10⅝-10⅞	12-40	8⅛-8⅜	12¼-12½	18-14	18¼-18⅜	10½-10¾
7 days' notice	17⅛-17⅜	18⅛-18⅜	8½-9½	10⅝-10⅞	8-9	8⅛-8⅜	12¼-12½	13-15	18¼-18⅜	11⅛-11¾
Month	17⅜-17⅝	17-17¼	14⅜-14¾	10⅝-10⅞	7½-7⅞	8⅞-9	12⅜-12⅝	15-16	17⅛-17⅜	12⅛-12⅜
Three months	17⅝-17⅞	17⅝-17⅞	15½-15⅞	10¾-11	7⅛-7⅜	9⅛-8⅞	12¾-13	16½-17½	18⅛-18⅜	13-13¼
Six months	16¾-17	16¾-17	15-15⅜	11-11¼	7⅛-7⅜	9⅛-9⅜	13¼-13½	17-18	17¼-17⅝	12¾-13
One year	18⅜-18⅝	15⅞-16⅛	14¾-15⅛	11⅛-11⅜	7⅛-7⅜	8⅞-9⅛	13⅜-13⅝	17½-18½	16⅛-16⅜	11½-11¾

Long-term Eurodollar two years 15¼-15½ per cent; three years 14⅞-15⅛ per cent; four years 14⅝-14⅞ per cent; five years 14½-14¾ per cent; nominal closing rates. Short-term rates are call for sterling, U.S. dollars, Canadian dollars and Japanese yen; others two days' notice. Asian rates are closing rates in Singapore.

INTERNATIONAL MONEY MARKET

Interest rates mixed

Interest rates showed mixed changes in the world's money markets yesterday, with Chase Manhattan Bank leading the way to lower U.S. bank prime rates by cutting its prime rate to 19¾ per cent from 20 per cent. This was the first reduction since last June when Morgan Guaranty became the first major bank to cut its prime rate to 11½ per cent from 11¾ per cent.

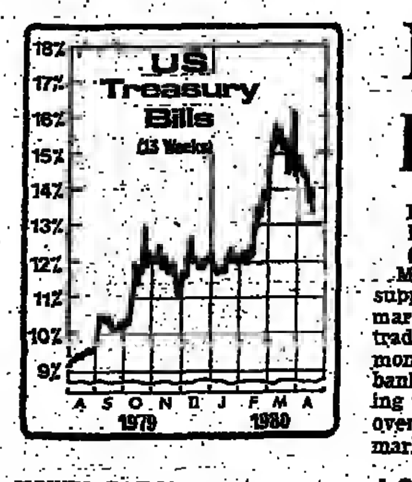
In Paris interest rates were firmer. Call money returned to 12¼ per cent, after touching 12 per cent on Tuesday, the lowest level for nearly a month.

In Amsterdam call money was unchanged at 10½-10⅝ per cent, but period rates declined, with one-month falling to 10⅜-10⅝ from 10½-10¾ per cent; three-month to 10¾-10⅞ per cent from 10⅞-11⅛ per cent from 11⅛-11½ per cent.

In Frankfurt call money rose to 8.75-8.85 per cent from 8.50-8.70 per cent, while one-month was quoted at 9.35-9.45 per cent compared with 9.30-9.50 per cent; three-month at 10.30-10.40 per cent compared with 10.20-10.40 per cent; and six-month at 10.40-10.50 per cent compared with 10.30-10.50 per cent. Twelve-month funds fell to 10.25-10.35 per cent from 10.30-10.50 per cent.

In Brussels deposit rates showed little change yesterday after the reduction in Belgian short-term Treasury certificate rates on Tuesday.

In Singapore the authorities announced an offering of S$40m in 91-day Treasury bills, to redeem a similar number of bills.



MONEY RATES

NEW YORK

Prime Rate	19¾-20
Fed. Funds	18¾-18¾
Treasury Bills (13-week)	13.35
Treasury Bills (26-week)	13.00

GERMANY

Discount Rate	7
Overnight Rate	8.80
One month	9.40
Three months	10.35
Six months	10.45

FRANCE

Discount Rate	9.5
Overnight Rate	12.25
One month	12.4375
Three months	12.875
Six months	12.9375

JAPAN

Discount Rate	9
Call (Unconditional)	12.125
Bills Discount (three-month)	13.8125

GOLD

Firmer trend

Gold rose in fairly active trading in the London bullion market yesterday to $527-532, a rise of $32 an ounce from Tuesday's close. The metal opened at $511-516 and had risen to $520 at the afternoon fixing, when news of cuts in U.S. prime rates provided the impetus to push it to a high of $533-537.

In Paris the 12½ kilo bar was fixed at FFr 74,350 per kilo ($528.51 per ounce) compared with FFr 74,000 ($526.98) in the morning and FFr 71,250 ($507.26) on Tuesday afternoon.

In Frankfurt gold closed at $518-523 compared with $495-500 on Tuesday.

In Zurich the metal closed at $530-535 against $493-498 previously.

	April 16		April 15	
Gold Bullion (fine ounce)				
Close	$527-532	(£237½-240)	$495-500	(£225-228½)
Opening	$511-516	(£232½-245)	$500-505	(£227½-229)
Morning fixing	$513.60	(£233.606)	$495.50	(£206.827)
Afternoon fixing	$520	(£236.278)	$497.50	(£226.676)
Gold Coins				
Krugerrand	$544-549	(£245½-248½)	$511-516	(£233-236)
Mapleleaf	$540-550	(£244-240)	$505-516	(£251-236)
New Sovereigns	$134-137	(£60½-60½)	$126-129	(£57½-50½)
King Sovs.	$162-166	(£73-76)	$156-160	(£71-74)
Victoria Sovs.	$162-166	(£73-75)	$156-160	(£71-74)
French 20s	$138-143		$130-167	
50 pesos Mexico	$646-656		$613-608	
100 Cor. Austria	$520-530		$485-405	
$20 Eagles	$645-655		$640-645	
$10 Eagles	—		—	
$5 Eagles	—		—	

UK MONEY MARKET

Moderate help

Bank of England Minimum Lending Rate 17 per cent (since November 15, 1979)

Money remained in short supply in the London money market yesterday, although trading was influenced by monthly make-up day for the banks, with discount houses picking up funds at 18 per cent while overnight rates in the interbank market rose to 50 per cent.

With day-to-day credit in short supply the authorities gave moderate assistance by buying a small amount of Treasury bills from the discount houses and banks, and by lending a moderate amount to eight or nine houses, overnight at Minimum Lending Rate.

Banks brought forward small run down balances, repayment was made of the very large amount lent to the market by the authorities on Tuesday, and there was a net take-up of Treasury bills to finance. On the other hand Government disbursements exceeded revenue payments to the Exchequer.

Discount houses paid around 16 per cent for secured call loans in the early part, with money found at 15-17 per cent during the day.

In the interbank market overnight loans opened at 15-15½ per cent and touched 16½-17 per cent in the morning, before falling to 15-15½ per cent at lunch, but closing around 50 per cent.

Rates in the table below are nominal in some cases.

LONDON MONEY RATES

April 16 1980	Sterling Certificate of deposit	Interbank	Local Authority deposits	Local Auth. negotiable bonds	Finance House Deposits	Company Deposits	Discount market deposits	Treasury Bills ♦	Eligible Bank Bills ♦	Fine Trade Bills ♦
Overnight	—	15-50	—	—	—	17-17¾	15-17	—	—	—
2 days notice	—	—	17⅜	—	—	—	—	—	—	—
7 days or 7 days notice	—	16¾-17½	17⅜-17¾	—	17½	17¼-17⅞	15½-16¼	—	—	—
One month	17⅝-17⅞	17⅛-17⅞	17⅝-17¾	18⅞-18½	17⅞	17¼-17⅞	16¾	16⅞-16	17⅛-17⅜	18
Two months	17⅛-17⅞	17⅛-17⅞	—	18⅝-18⅛	17⅞	—	15⅝-16¾	16⅞	17⅛-17¼	17⅛
Three months	17½-17⅞	17⅛-17⅞	17⅝-17¾	18-17⅝	17⅞	17¼-17⅞	16⅝	16⅛-16⅜	16⅞-16⅜	17⅜
Six months	16⅛-16⅛	16⅝-16⅞	16⅛-16¾	16⅞-16½	18⅞	17⅛	—	—	15½-16¾	16¼
Nine months	16⅛-15⅞	16-16¼	—	16¾-16⅝	16⅝	—	—	—	—	—
One Year	16⅛-15¾	16⅞-16⅛	16-16⅛	15¼-16	16¼	15⅞	—	—	—	—
Two years	—	—	15¾-16	—	—	—	—	—	—	—

Local authorities and finance houses seven days' notice, others seven days' fixed. *Long-term local authority mortgage rates nominally three years 15⅝-15¾ per cent; four years 14¾-15¼ per cent; five years 14¾-15 per cent. ♦ Bank bill rates in table are buying rates for prime paper. Buying rates for four-month bank bills 16⅞-16²⁹⁄₃₂ per cent; four-month trade bills 17¼ per cent.

Approximate selling rates for one-month Treasury bills 15⅞-15¹⁵⁄₁₆ per cent; two-months 16⅛ per cent; three-months 16⅛-16⅛ per cent. Approximate selling rates for one-month bank bills 17⅛-17⅛ per cent; two-months 17⅛-17⅛ per cent; three-months 16⅝-16⅝ per cent; one-month trade bills 17¾ per cent; two-months 17⅛ per cent and three-months 17⅛ per cent.

Finance Houses Base Rates (published by the Finance Houses Association) 18 per cent from April 1, 1980. Clearing Bank Deposit Rates for sums at seven days' notice 16 per cent. Clearing Bank Rates for lending 17 per cent. Treasury Bills: Average tender rates of discount 16.1803 per cent.

EUROPEAN OPTIONS EXCHANGE

Series		April Vol.	April Last	July Vol.	July Last	Oct. Vol.	Oct. Last	Stock
ABN C	F.280	—	—	3	17	—	—	F.295.50
ABN C	F.290	6	8	—	—	—	—	"
ABN C	F.300	6	0.90	7	5.50	16	8.50	"
ABN C	F.310	—	—	2	2.50	—	—	"
ABN C	F.380	—	—	2	0.50	—	—	"
AKZ C	F22.50	61	0.60	00	8	—	—	F.26.10
AKZ C	F.25	—	—	24	1	6	1.60	"
AKZ C	F.27.50	—	—	—	—	11	1	"
AKZ P	F.22.50	—	—	3	1.20	—	—	"
AKZ P	F.25	1	2.40	6	3	—	—	"
AKZ P	F.27.50	2	7.20	—	—	—	—	"
ARB C	F.60	—	—	1	6.80	—	—	F.62
ARB C	F.65	40	0.20	6	3.50	—	—	"
ARB C	F.70	—	—	1	0.90	—	—	"
CSF C	F.440	3	33	—	—	—	—	F.466
EK C	$60	—	—	6	6⅜	—	—	$49¼
FNC C	$20	—	—	10	1¼	—	—	$10
HEI C	F.65	11	13	—	—	—	—	F.79
HEI C	F.70	50	9.20	1	9.80	3	8.50	"
HEI C	F.75	58	3.90	30	6.80	7	7	"
HEI P	F.60	—	—	16	0.80	—	—	"
HEI P	F.65	—	—	4	1.50	—	—	"
HEI P	F.70	—	—	6	3.50	—	—	"
HEI P	F.75	20	0.60	—	—	8	5	"
HO C	F.17.50	—	—	—	—	2	4	F.19.20
HO C	F.20	—	—	40	1.70	1	2.50	"
HO C	F.22.50	—	—	5	0.70	—	—	"
KLM C	F.60	50	4	1	6.80	20	8.60	F.63.80
KLM C	F.70	16	0.10	83	3.80	40	4.30	"
KLM C	F.80	—	—	—	—	24	1.30	"
KLM P	F.60	85	0.10	5	4	—	—	"
KLM P	F.70	16	6.30	5	8.40	—	—	"
KLM P	F.80	—	—	6	16.60	—	—	"
NN C	F.110	15	1.30	180	6	—	—	F.109.70
NN C	F.115	—	—	18	3.10	—	—	"
NN C	F.120	—	—	36	1.60	—	—	"
PET C	Fr.5000	4	100	—	—	—	—	Fr.5080
PET C	Fr.6000	—	—	1	70	—	—	"
PHI C	F.17.50	3	1.40	—	—	44	2.20	F.18.90
PHI C	F.20	—	—	14	0.70	45	1	"
PHI C	F.22.50	—	—	—	—	38	0.60	"
PHI P	F.17.50	—	—	15	1	10	1.10	"
PHI P	F.20	18	1.20	10	1.80	—	—	"
RD C	F.140	10	15.30	—	—	—	—	F.156.20
RD C	F.145	63	11.80	—	—	—	—	"
RD C	F.150	240	8.38	101	10	30	18	"
RD C	F.160	351	0.40	95	5.10	15	7	"
RD C	F.170	—	—	69	1.80	31	3.70	"
RD P	F.140	—	—	—	—	19	4.50	"
RD P	F.150	5	0.10	8	7	—	—	"
RD P	F.160	59	4	6	11	—	—	"
RD P	F.170	2	14.70	—	—	—	—	"
T C	$55	—	—	3	⅝	—	—	$49⅞
UNI C	F.110	130	2.80	10	6.60	—	—	F.113.50
UNI C	F.115	128	0.40	63	5.30	—	—	"
UNI P	F.110	13	0.40	2	5.50	—	—	"
		May		Aug.		Nov.		
BAS C	DM.140	—	—	50	6.50	—	—	DM 138.70
SLB C	$110	15	3¼	—	—	—	—	$106⅞
SLB C	$120	—	—	3	4¼	1	6¼	"

TOTAL VOLUME IN CONTRACTS 2600

C=Call P=Put

BASE LENDING RATES

A.B.N. Bank	17 %	■ Hambros Bank	17 %
Allied Irish Bank	17 %	■ Hill Samuel	§17 %
Amro Bank	17 %	C. Hoare & Co.	†17 %
American Express Bk.	17 %	Hongkong & Shanghai	17 %
Henry Ansbacher	17 %	Industrial Bk. of Scot.	17½ %
A P Bank Ltd.	17 %	Keyser Ullmann	17 %
■ Arbuthnot Latham	17 %	Knowsley & Co. Ltd.	19 %
Associates Cap. Corp.	17 %	Langris Trust Ltd.	17 %
Banco de Bilbao	17 %	Lloyds Bank	17 %
Bank of Credit & Cmce.	17 %	Edward Manson & Co.	18 %
Bank of Cyprus	17 %	Midland Bank	17 %
Bank of N.S.W.	17 %	■ Samuel Montagu	17 %
Banque Belge Ltd.	17 %	■ Morgan Grenfell	17 %
Banque du Rhone et de la Tamise S.A.	17½ %	National Westminster	17 %
Barclays Bank	17 %	Norwich General Trust	17 %
Bremar Holdings Ltd.	18 %	P. S. Refson & Co.	17 %
Brit. Bank of Mid. East	17 %	Rossminster	17 %
■ Brown Shipley	17 %	Ryl. Bk. Canada (Ldn.)	17 %
Canada Perm't Trust	18 %	Schlesinger Limited	17 %
Cayzer Ltd.	17 %	E. S. Schwab	17 %
Cedar Holdings	17 %	Security Trust Co. Ltd.	18 %
■ Charterhouse Japhet	17 %	Standard Chartered	17 %
Choulartons	17 %	Trade Dev. Bank	17 %
G. E. Coates	17 %	Trustee Savings Bank	17 %
Consolidated Credits	17 %	Twentieth Century Bk.	17 %
Co-operative Bank	*17 %	United Bank of Kuwait	17 %
Corinthian Secs.	17 %	Whiteaway Laidlaw	17½ %
The Cyprus Popular Bk.	17 %	Williams & Glyn's	17 %
Duncan Lawrie	17 %	Wintrust Secs Ltd.	17 %
Eagil Trust	17 %	Yorkshire Bank	17 %
E. T. Trust Limited	17 %		
First Nat. Fin. Corp.	19½ %		
First Nat. Secs. Ltd.	19 %		
Robert Fraser	18 %		
■ Antony Gibbs	17 %		
Greyhound Guaranty	17 %		
Grindlays Bank	‡17 %		
■ Guinness Mahon	17 %		

■ Members of the Accepting Houses Committee.

* 7-day deposits 15%, 1-month deposits 15¼%.

† 7-day deposits on sums of £10,000 and under 15%, up to £25,000 15¼% and over £25,000 15½%.

‡ Call deposits over £1,000 15%.

§ Demand deposits 15%.

WORLD STOCK MARKETS

Wall St. up in early trading

A CUT in the prime rate to 19¾ per cent from 20 per cent by Chase Manhattan Bank pushed the stock market broadly higher in active early trading.

Analysts said the rate change was encouraging but many expect the prime to move higher again over the next few weeks before beginning a long-term decline.

The Dow Jones Industrial Average improved 3.50 to 786.86 at mid-day. Advances led declines three-to-one on volume of 20m shares (13m).

Chase Manhattan, in announcing its rate cut, said: "The direction of future movements in the prime rate over the near term remains uncertain."

Responding to the cut, interest rate-sensitive stocks led the advance. Volume leader Federal National Mortgage rose 1⅛ to 13⅞. Among the Actives, American Telephone gained ⅞ to 50⅞, Florida Power and Light ⅝ to 25⅞, Texas Utilities ⅜ to 17⅝. Southern California Edison ½ to 24⅞ and Commonwealth Edison ½ to 20⅞.

Ethyl reported sharply higher March quarter net and rose ⅞ to 23⅞. Borden reported improved first period profit and raised the dividend. It gained ⅜ to 20⅜. However, Honeywell reported lower first quarter results and dropped 2 to 68⅞.

Macke Company climbed 1¼ to 9¼. Allegheny Beverage said it may raise its Macke stake to about 22 per cent from less than 5 per cent currently. Kaufman and Broad added ⅜ to 8¼. Companies in Canada controlled by the Belzberg Brothers bought a 6.7 per cent in Kaman and Broad.

Oils were mixed. Volume leader Delhi International lost 1¼ to 36⅛ but Gulf Canada rose 1 to 124½. National Kinney rose ½ to 3⅝. It expects a $25m gain from the sale of maintenance operations.

Closing prices for North America were not available for this edition.

THE AMERICAN S.E. Market Exchange gained 0.74 to 244.30 at mid-day. Volume 1.6m shares (1.8m).

Canada

Markets remained lower in fairly active trading. The Toronto Composite Index slipped 1.9 to 1,849.3 and losses outnumbered gains 171 to 135. Volume 1.7m shares (1.5m).

Among companies reporting higher first quarter earnings, Texasgulf rose 1 to 40½ and Giant Yellowknife ½ to 17.

Oil and Gas stocks were lower as Hudson's Bay Oil fell 2 to 116, Imperial Oil "A" 1¾ to 41¼, Shell Canada ⅝ to 33 and Husky Oil ¼ to 86½.

Golds were higher as Dome Mines rose 1 to 69 while Camflo Mines at 18½ and Dickenson Mines at 17⅜ each added ¼. Although it reported higher earnings, Inco lost ½ to 26½.

Tokyo

Share prices closed lower in moderate trading, after opening one hour later than normal because of the railway strike.

The market was led by resources-related shares, big capitals and Machine Tools.

The Nikkei Dow Jones average fell 35.41 to 6,770.34. Volume 350m shares. The Tokyo Stock Exchange index closed at 461.29, down 1.35.

Nippon Oil, Teikoku Oil, Sumitomo Metal Industries, and Hitachi Seiki lost ground on liquidations and other selling. This followed a deterioration in margin trading positions with an increased outstanding balance of buying orders.

Coals firmed on speculation that there may be increasing demand. Mitsui Mining gained Y22 to Y810 and Matsushima Kosan rose Y56 to Y779. In Defence Industry sticks, Fuji Heavy Industries, Daikin Kogyo and Daido Steel were also selected.

Trading volume on the second section came to 5.5m shares (6.5m). The second section stock index declined 2.38 points to 705.97.

Hong Kong

Stocks closed slightly firmer with the Hang Seng Index gaining 6.57 to close at 798.27. Interest focussed on shares which had recently announced final results.

Underlying market sentiment remained depressed by high interest rates locally, despite indications of a weekend reduction in U.S. primes.

Jardine Matheson gained 20 cents to close at HK$ 15.10. This followed good results, bonus issue and a promising forecast for the company. Cheung Kong gained 50 to HK$ 23.00 following the announcement of its results.

Hongkong Land gained 40 cents on an adjusted basis, having gone ex dividend and bonus and rights issues, to close at HK$ 9.80 declining HK$ 1.30.

Hongkong Bank gained 20 to HK$ 13.40, Hutchison Whampoa 10 to HK$ 7.60 and Wheelock "A" 5 to HK$ 3.85. Swire Pacific "A" at 6.90, Hongkong Wharf at HK; 62.50 and Hongkong Electric HK$ 5.30 were unchanged.

Germany

Most leading shares closed sharply higher compared with yesterday, after opening lower, with Schering gaining DM 11.50 to DM 190.50 in the Pharmaceutical sector.

Metal prices firmed sharply, with Metallgesellschaft rising DM 5 to DM 265, and Preussag gaining DM 6.5 to DM 193.50 in raw materials. Karstadt rose DM 4 to DM 222 and Kaufhof DM 1 to DM 179. Horten, DM 130, was unchanged in Stores, while Neckermann rose DM 4.50 to lead.

Motors advanced with Daimler being quoted DM 2.50 up at DM 246. Chemicals firmed slightly, and GHH rose DM 2 in Engineerings.

Bayerische Vereinsbank led Banks with a gain of DM 3 to DM 262.50 followed by Deutsche Bank's rise of DM 2.50 to DM 243.

In Options, prices firmed in fairly active turnover, with interest centred on Chrysler call options as well as Veba and Hoechst put options.

Trading was quiet on the domestic bond market with losses of up to 30 pfennigs and the Bundesbank bought a nominal DM 20.2m-worth of paper, after buying DM 24.6m on Tuesday.

Australia

Share prices were mixed on the Sydney Market, unsteady commodity prices and rising interest-rates keeping mining and industrials under pressure.

Central Norseman led golds higher with a 20 cent rise to A$6. Among Oils, Vangas rose 10 to A$3.70 on its Cooper Basin oil discovery, but its major partner, Santos, shed 10 cents to A$7.20. Hartogen Energy advanced 5 to A$3.05, while Bridge Oil firmed 10 to A$2.85.

Pan Continental Mining, however, lost 30 cents to A$5.10 on adverse market reaction to its plans to enter the oil exploration field and Peko-Wallsend retreated 25 cents to A$6.86 after a firm start.

Paris

Share prices tended mixed in quiet trading with no new market factors in evidence.

Banks and Insurances, Foods, Constructions, Engineering and Oils were all mixed.

Pechiney Ugine Kuhlmann jumped FFr 4.5 to FFr 105 after reporting a more than threefold increase in group 1979 net net profits.

Metals were firm with Usinor unchanged at FFr 13 after announcing a FFr 933m loss in an exceptional eight-month period to end 1979.

Properties, Investments and Hotels were also stronger but all other sectors weakened.

In foreign stocks Germans and Dutch firmed along with Gold Mines and Canadians, whereas Oils weakened and U.S. and Coppers tended mixed.

NEW YORK

[illegible]

CANADA

Stock	April 15	April 14
Abitibi	18½	19¼
Agnico Eagle	11½	11¼
Alcan Alumn	30¾	32
Algoma Steel	33¾	32⅞
Asbestos	32	51¼
[illegible]	[illegible]	[illegible]

BELGIUM (continued)

April 15	Price Frs.	+ or —
Petrofina	5,090	+10
Royale Belge	0,100	......
Soc Gen Banq	9,450	+5
Soc Gen Belge	1,370	—14
Sofina	3,300	+20
Solvay	2,380	+10
[illegible]	[illegible]	[illegible]

HOLLAND

April 16	Price Fls.	+ or —
ACF Holding	70	—3.6
Aheld	83	—0.3
AKZO	29.1	—0.6
ABN	925	+0.9
AMEV	27.5	+2
AMRO	62	—0.5
[illegible]	[illegible]	[illegible]

AUSTRALIA

April 15	Price Aust. $	+ or —
ANZ Group	4.32	+0.07
Acrow Aust	1.00	......
Allstate Expl	1.15	—0.10
Ampol Pet	0.98	—0.02
Assoc. Pulp Pap.	1.80	......
Audimco	0.20	—0.01
Aust Cons Ind	2.02	+0.01
[illegible]	[illegible]	[illegible]

JAPAN (continued)

April 12	Price Yen	+ or —
Kubota	360	......
Kumagai	339	—1
Kyoto Ceramic	3130	—20
Lion	663	—8
Maeda Cons	430	......
Makita	290	—1
Marubeni	385	—5
[illegible]	[illegible]	[illegible]

DENMARK

[illegible]

FRANCE

[illegible]

GERMANY

[illegible]

AUSTRIA

[illegible]

BELGIUM/LUXEMBOURG

[illegible]

ITALY

[illegible]

NORWAY

[illegible]

SWEDEN

[illegible]

SWITZERLAND

[illegible]

SINGAPORE

[illegible]

HONG KONG

[illegible]

JAPAN

[illegible]

SOUTH AFRICA

[illegible]

BRAZIL

[illegible]

Indices

NEW YORK—DOW JONES

[illegible]

STANDARD AND POORS

[illegible]

N.Y.S.E. ALL COMMON

[illegible]

MONTREAL

[illegible]

NEW YORK ACTIVE STOCKS

[illegible]

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Boost for EEC sugar exports

By Our Commodities Staff

THE EEC Commission granted export rebates on 89,350 tonnes of white sugar—by far the highest total this season—at yesterday's weekly export tender in Brussels, in spite of offering lower rebates than last week when no sales were authorised.

This ends a run of three tenders at which export sales were negligible, totalling only 1,500 tonnes.

A sharp rise in world sugar prices since last week's tender has narrowed the gap between world and EEC prices, enabling exporters to bid for lower rebates than of late—the bulk of yesterday's sales was reported to have been at rebates below the 7.07 European currency units (ECUs) maximum.

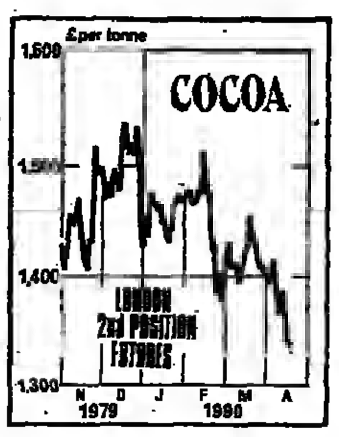
The London daily sugar price was fixed at £240 a tonne yesterday, £10 up on the day and £16 above the level ruling last Wednesday.

Yesterday's high allotment still leaves recent sales well below reported target levels, however. The Commission was rumoured to be aiming at exports averaging about 60,000 tonnes a week in order to clear the Community surplus before the selling season, which has already been extended by one month, ends in July. But it has now shifted only 90,850 tonnes in four weeks.

The recent rise in sugar prices has been due mainly to reports of heavy Russian buying.

Decline in U.S. demand hits cocoa market

BY JOHN EDWARDS, COMMODITIES EDITOR



THE COCOA market received another setback yesterday when it was announced that U.S. cocoabean grindings during the first quarter of 1980 had fallen by 17.5 per cent compared with a year ago.

U.S. Chocolate Manufacturers Association said grindings during January-March this year fell to 36,903 short tons against 44,722 tons in the first quarter of 1979. For the first time details were given of imports of cocoa liquor (15,093 tons); cake and powder (10,818 tons) and cocoa butter (8,945 tons).

The fall in U.S. grindings was considerably more than traders had anticipated. It was generally thought they would be down by about 5 per cent and the most pessimistic prediction was 10 per cent. However, reaction was limited, according to dealers, by the fact that the market is somewhat oversold.

The July position on the futures market dropped to £1,329 at one stage before rallying to close at £1,337 a tonne, only £3.5 down on the previous close. Nevertheless this is the lowest level since last July and reflects the general depression in the market.

Main cause of the slide in prices has been the apparent surplus of production over demand for the third year in succession, and the failure of producers to lift the market by withholding supplies.

There were rumours of cocoa shipments on their way to Europe, which have not yet been sold. Additionally, there were reports from Brazil claiming confirmation that quotas on beans and cocoa products had been lifted. Although no official announcement has yet been made, traders said that there had been substantial sales overnight in New York.

It is thought unlikely that the Cocoa Producers Alliance special meeting from May 19-21 in Brazil will be able to reach agreement on the plan to create its own buffer stock support fund. Instead it is felt producing countries, who have held off selling, will be forced to dispose of built up surpluses and might well try to do so before the Brazil meeting.

Meanwhile it was annouoced in Accra yesterday that a British consultant company, Peat Marwick and Mitchell, had been commissioned to review the operations of the Ghana Cocoa Marketing Board.

EEC to lift levy on UK food imports

By Richard Mooney

THE 2.1 per cent tax on British food imports imposed two weeks ago is almost certain to be removed next week, a Ministry of Agriculture spokesman confirmed yesterday.

He said the disappearance of the tax followed automatically from the recent fall in the value of the pound, just as the original imposition of the import levy had resulted from sterling's previous strength.

The EEC Commission is expected to announce today that the levy will be lifted from next Monday.

Sterling's rise had taken it above the fixed Green Pound rate which is used to translate "common" EEC farm prices into domestic currency. This led to the imposition of positive monetary compensatory amounts (MCAs) on UK farm trade which meant that imports were taxed and exports subsidised so as to keep import and export prices steady.

At the last meeting of the Council of EEC Agriculture Ministers Britain's Mr. Peter Walker had sought larger positive MCAs through the elimination of the 1.5 per cent "franchise" band in which disparities between "green" and real currency rates are ignored. This band operates outside a 1 per cent band either side of parity which is ignored for administrative reasons. But Mr. Walker's plea, which would have resulted in a 3.6 per cent tax instead of 2.1 per cent, was turned down by the Council.

COMMODITY AGREEMENTS

Changes sought in new tin pact

BY SRIJ KHINDARIA IN GENEVA

TIN PRODUCING countries said in Geneva they were willing to renew the 24-year-old International Tin Agreement for the sixth time when it expires on June 30, 1981, only if it is changed significantly.

At the start of month-long negotiations to renew the accord, Mr. Abdul Fatah bin Zakaria of Malaysia, speaking for all tin producing countries stressed "the importance and sanctity" of the agreement's existing economic mechanisms, such as the buffer stock system, export controls, and price range provisions.

The Tin Agreement, the only world commodity pact for mineral resources, needs important changes in provisions concerning the disposal of non-commercial or strategic stockpiles, the size of the price range supported through buffer stock operations, and voting methods used to take decisions, Mr. Zakaria said.

The negotiations opened cautiously this week but they are not expected to develop into a classic north-south confrontation between poor country exporters and rich country importers.

The recent collapse of the International Cocoa Agreement, which had many similarities with the tin accord, has cast a shadow on the tin negotiations. Mr. Peter Lai of Malaysia, executive chairman of the International Tin Council which oversees the tin agreement, cautioned delegations against going too far in seeking changes.

A clash is expected between the U.S. and Malaysia over disposal of strategic stockpiles and export controls.

Article 43 of the current agreement requires prior clearance by the Tin Council of sales by the U.S. from its large strategic stockpiles to prevent downward pressure on world prices.

TIN PRICES moved higher again on the London Metal Exchange yesterday. Cash tin closed £65 up at £7,815 a tonne after having jumped by £155 on Tuesday. The rise was part of a general increase in metals following news of a cut in U.S. interest rates. Although this brought a sharp fall in the value of the dollar, copper cash wirebars gained £24.5 to £965.5 a tonne and lead and zinc prices also rose.

Worried by several new draft laws presented to U.S. Congress during the last three years concerning the disposal of such stockpiles, the Tin Council created a special working party in April 1978 to closely monitor the proposals.

Malaysia, together with other tin producers, is keen to ensure that Congress does not enact the Tin Agreement.

The U.S. is, in turn, trying to persuade the producing countries to give up or substantially change their system of export controls used to boost tin prices in times of excess production.

Another important issue is the way in which buffer stocks are held and financed. So far, producing countries have been obliged in hold stocks of at least 20,000 tonnes at their own cost, although some consumers financial contributions. The producers now want that the costs of holding stocks should be shared equally by both groups.

In contrast with other international commodity agreement being negotiated under auspices of the United Nations Conference on Trade and Development (Unctad), tin producers do not want the price range supported by buffer stock operations to be discussed as part of the renewal negotiations. This task has traditionally been entrusted to the Tin Council.
legislation which will damage

But producers are dissatisfied with the past system where decisions on price ranges were pushed through the council by a majority voting procedure. Since there are only seven producers in the council compared with 29 consumers, the producers feel the voting procedure is unfair.

Japan, whose industries depend heavily on imported tin, is the only major consumer to support the producers' demand that contributions to the tin buffer stock should be compulsory and shared equally among producers and consumers. But Japanese positions differ from those of producers on several other less important points.

Salmon protocol signed

By David Satter in Moscow

THE SOVIET Union and Japan yesterday signed a protocol governing Japanese salmon fishing rights in the North West Pacific this year which provides for a Japanese catch of 42,500 tonnes, the same as last year.

The protocol was signed by Mr. Vladimir Kamentsev, the Soviet Fisheries Minister, and Mr. Tokichiro Yomoto, the Japanese ambassador, following two weeks of Soviet-Japanese talks.

The Japanese are said to be satisfied with the agreement which calls for payment by Japan of Y3,750m in goods for the Soviet fish breeding industry in exchange for the fishing rights. The Japanese had originally asked for a catch of 45,000 tonnes and the Soviets had offered 35,000 tonnes.

Argentine grain deal with USSR

BUENOS AIRES — Argentina and the Soviet Union have agreed to work out a medium-term agreement covering the supply or Argentine grains and annonncement said.
oilseeds, a trade department

The agreement will cover maize, which is traditionally sold to the USSR, and sorghum and soyabeans which will be new to tha Soviets.

A statement, issued after a week of talks between a Soviet economic and technical mission and Argentine officials, added that wheat will continue to be supplied to the USSR in traditional quantities.

It addad that in the first quarter of this year the Soviet Union bought 24,000 tonnes of Argentine meat and it was agreed it would give priority to Argentina in future purchases, taking into account the competitiveness of Argentine supplies.

Grain market sources noted so far this year Argentina—the only country among the four largest grain exporters to refuse to suppose the U.S. R 5 to support the U.S. grain embargo of the Soviet Union—has sold 2m tonnes of maize, 2m tonnes of wheat and 500,000 tonnes each of soyabeans and sorghum to the USSR.

Meanwhile in Washington the U.S. National Association of Wheat Growers described the Carter Administration's efforts to offset the effects of the embargo on grain shipments to the USSR as a "disgusting failure."

Jack Felgenhauer, president of the association, said wheat prices are now more than 40 cents per bushel below the pre-embargo level.

"Wheat producers are now faced with declining prices, soaring production costs and the prospect of further price drops during the 1980 season," be said.

In Canberra, the Bureau of Agricultural Economics estimated that the 1979-80 Australian wheat crop now barvested produced 16.1m tonnes compared to the previous year's record 18.3m tonnes.

The bureau revised upwards its forecast for Australian wheat exports in the 1979/80 fiscal year, July/June, to a record 15m tonnes.

However tha U.S. Agriculture Department attache in Canberra forecast the Australian winter wheat crop could be less than 12m tonnes compared to an earlier projection of over 15.0m unless there is substantial rainfall in the next two monhts.

Pasture conditions are extremly poor and the stock water situation is becoming critical in some areas, be noted. The price of hay bas risen from A$1 per bale to A$5 per bale, when it is available.
Repter

Nickel stocks fall to 80m lbs

STOCKS OF NICKEL held by International Nickel at the end of March this year fell to 80m lbs compared with 89m lbs at the end of last year and 146m lbs in March 1979.

However the company's deliveries on nickel during the first quarter of 1980 at 113m lbs were below those of a year ago (124m lbs) although higher than the 91m lbs sold in the last quarter of 1979.

At the annual meeting of Falconbridge Nickel Mines in Toronto, Presideot Marsb Cooper forecast a drop of about 5 per cent in nickel coosumption in 1980, reports Renter.

Australian wool exports forecast lower

CANBERRA—The Bureau of Agricultural Economics (BAE) has lowered its fourth forecast of Australian wool exports in the 1979-80 season to June 30 to 671m kilos greasy equivalent from its third forecast of 706m.

This compares with 1978-79 exports of 708m kilos, the BAE said in its fourth 1979-80 quarterly "Trends in Australian Agricultural Commodities" prepared in March.

The BAE said exports are expected to drop in the current season because the total availability of Australian wool in 1979-80 is some 8 per cent below the 1978-79 level.

The BAE raised its forecast for live sheep exports in 1979-80 to 5.30m head from its December estimate of 5.20m and compared to 5.03m in 1978-79.

Turning to the market outlook, the BAE said Australian wool prices are expected to average around 390 cents a kilo clean, reflecting a moderate decline from the 414 cents seen earlier this month.

In tha first nine months of the current season, prices averaged 391 cents with the out-turn for the year pnt at 390 cents a kilo clean, equivalent to 240 cents a kilo greasy and 17 per cent above the 1978-79 level.

The BAE said the high and generally rising levels of wool prices in the current season stemmed from two factors. The first is improved demand, particularly from Japan, Italy and the Soviet Union and the second is the effect of speculative forces related to stock levels, currency movements and the generally buoyant commodity prices seen up to January, 1980.

However, these will be offset by a recent easing of the speculative forces, rising interest rates and economic measures in other countries leading to declining growth.
Reuter

BRITISH COMMODITY MARKETS

BASE METALS

COPPER—Firmer on the London Metal Exchange but well below the day's highest levels. Forward metal opened at £977 and eased to £973 on the pre-market following rumours of a settlement at the Olen Refinery and talk that Cities Services had settled their labour contract. The market then rallied to £979 before ending the morning Kerb at £974. In the afternoon three months rose at £989 owing to lower interest rates in the U.S. and the strength of Comex, but subsequently fell away to close the late Kerb at £976 as sterling moved up against the dollar. Turnover: 25,075 tonnes.

COPPER	a.m. Official	+ or —	p.m. Unofficial	+ or —
	£	£	£	£
Wirebars				
Cash	945-50	+15.5	955-6	+24.5
3 months	971-2	+7	986-7	+17.2
Settlem't	950	+14	—	......
Cathodes				
Cash	922-4	+14.2	932-5	+21
3 months	950-5	+12	960-5	+17.5
Settlem't	924	+15	—	......
U.S. Prod.	—	......	*91.8	......

Amalgamated Metal Trading reported that in the morning cash wirebars traded at £979, 80, 79.5, 79, 77.5, 77, 76, 75, 72. Cathodes, cash £918, 22. Kerb: Wirebars, three months £973, 74, 75, 74. Afternoon: Wirebars, late April £989, three months £978, 79, 79.5, 80, 81.5, 82, 85, 86, 87, 89, 87, 88, 87. Kerb: Wirebars, three months £979, 77, 78, 75, 73, 71 73, 74, 75, 76, 75, 74, 76, 76, 77.

TIN—Gained ground. The rise at Penang pushed forward metal up from £7,760 to £7,820 on the pre-market. However, trade selling and offerings of cash material caused a setback on the Rings and Kerb with forward metal falling to £7,785 and the backwardation narrowing to £10. In the afternoon, forward metal eased to close the late Kerb at £7,790, reflecting the rise in sterling. Turnover: 930 tonnes.

TIN	a.m. Official	+ or —	p.m. Unofficial	+ or —
High Grade	£	£	£	£
Cash	7805-10	+67.5	7820-40	+65
3 months	7785-80	+80	7820-35	+65
Settlem't	7810	+85	—	......
Standard				
Cash	7795-800	+82.5	7810-20	+65
3 months	7785-92	+75	7810-5	+85
Settlem't	7800	+80	—	......
Straits E.	$2365	+21		......
New York	—	......		......

Morning: Standard, cash £7,850, 40, 10, 7,800, 7,795, 7,800, three months £7,800, 7,790, 80, 90. High Grade, cash £7,850. Kerb: Standard, three months £7,790, 7,800, 7,790. Afternoon: Standard, cash £7,820, three months £7,800, 10, 15, 10. Kerb: Standard, three months £7,800.

LEAD—Moved ahead, reflecting the rise in copper. Forward metal opened higher at £443.5 and rose to touch £445 at the start of afternoon trading before easing to close the late Kerb at £439. Turnover: 14,650 tonnes.

LEAD	a.m. Official	+ or —	p.m. Unofficial	+ or —
	£	£	£	£
Cash	454-5	+6	460-2	+11
3 months	439-40	+15	444-.5	+12.7
S'ment	455	+5	—	......
U.S. Spot	—	......	*48	......

Morning: Cash £455, 54, three months £442, 41, 39, 37, 38, 40. Kerb: Three months £440, 41, 42, 43. Afternoon: Three months £443, 45, 44. Kerb: Three months £440, 41, 42.

ZINC—Moved narrowly with the strength of other base-metals sustaining forward metal which opened higher at £336.5 and dipped to £333 before closing the late Kerb at £334.5. Turnover: 10,225 tonnes.

ZINC	a.m. Official	+ or —	p.m. Unoffic'l	+ or —
	£	£	£	£
Cash	328-30	—4	330-1	+6.5
3 months	332-3	—.5	333-4	+5
S'ment	330	—4	—	......
Primw'ts	—	......	*37.0	—9.5

Morning: Cash £330, three months £334, 33, 32. Kerb: Three months £333. Afternoon: Cash £330, three months £334, 35. Kerb: Three months £333.

ALUMINIUM—Higher. Forward metal opened around £855 and moved up to £863 before coming under pressure from the firmness of sterling and closing the late Kerb at £852. Turnover: 5,450 tonnes.

Alumin'm	a.m. Official	+ or —	p.m. Unoffic'l	†+ or —
	£	£	£	£
Spot	897-9	......	893-7	—5.5
3 months	861-2	+10	858-9	+3.5

Morning: Cash £898, 95, 87, three months £859, 59.5, 60, 61, 62, 60, 61. Kerb: Three months £860. Afternoon: Three months £863, 62, 61, 59, 58. Kerb: Three months £858, 55, 54, 53, 52, 51, 52.

NICKEL—Drifted in idle trading with forward metal finally quoted on the late Kerb at £2,930. Turnover: 702 tonnes.

NICKEL	a.m. Official	+ or —	p.m. Unoffic'l	+ or —
Spot	2840-50	+20	2825-30	—15
3 months	2945-50	+10	2940-5	—10

Morning: Cash £2,830, 40, 60, 45, three months £2,945, 50. Afternoon: Three months £2,950, 45, 40. Kerb: Three months £2,940.

* Cents per pound. ‡ $M per picul. † On previous unofficial close.

CORAL INDEX: Close 441-446 (+5)

LEGAL NOTICES

IN THE MATTER OF COTTY & CO. LIMITED AND IN THE MATTER OF THE COMPANIES ACT 1948

NOTICE IS HEREBY GIVEN that the creditors of the above-named Company, which is being voluntarily wound up, are required, on or before the 8th day of July, 1980, to send in their full Christian and surnames, their addresses and descriptions, full particulars of their debts or claims, and the names and addresses of their Solicitors (if any), to the undersigned Brian Whincup, FCA, Floyd Nash & Co., of 113, Bute Street, Cardiff CF1 6EQ, the Liquidator of the said Company, and, if so required by notice in writing from the said Liquidator, are, personally or by their Solicitors, to come in and prove their debts or claims at such time and place as shall be specified in such notice, or in default thereof they will be excluded from the benefit of any distribution made before such debts are proved.

Dated this 9th day of April, 1980.
B. WHINCUP, Liquidator.

IN THE MATTER OF ATLANTIC FUSEGEAR LIMITED AND IN THE MATTER OF THE COMPANIES ACT 1948

NOTICE IS HEREBY GIVEN that the creditors of the above-named Company, which is being voluntarily wound up, are required, on or before the 8th day of July, 1980, to send in their full Christian and surnames, their addresses and descriptions, full particulars of their debts or claims, and the names and addresses of their Solicitors (if any), to the undersigned Brian Whincup, FCA, Floyd Nash & Co., of 113, Bute Street, Cardiff CF1 6EQ, the Liquidator of the said Company, and, if so required by notice in writing from the said Liquidator, are, personally or by their Solicitors, to come in and prove their debts or claims at such time and place as shall be specified in such notice, or in default thereof they will be excluded from the benefit of any distribution made before such debts are proved.

Dated this 9th day of April, 1980.
B. WHINCUP, Liquidator.

SILVER

Silver was fixed 8.35p an ounce higher for spot delivery in the London bullion market yesterday at £6.7045. U.S. equivalents of the fixing levels were: spot $14.75, up 19.9c; three-month $15.27, up 7.5c; six-month $15.98, up 19.9c; and 12-month $16.933, up 17.5c. The metal opened at £6.6-6.95 ($14½-15¼) and closed at £6.75-7.10 ($15-15¼).

SILVER per troy oz.	Bullion fixing price	+ or —	L.M.E. a.m. Unoffic'l	+ or —
Spot	670.45p	+8.35	677.5p	+55.5
3 months	692.85p	+5.45	704.0p	+35
6 months	725.90p	+8.3	—	......
12 months	758.90p	+8.4	—	......

LME—Turnover 151 (113) lots of 10,000 ozs. Morning: three months 698, 90, 90.5, 87, 85, 87, 88. Afternoon: cash 675, three months 715, 18, 20, 700, 703, 05, 04, 05. Kerbs: three months 70, 05.

COCOA

Cocoa futures traded within a narrow range and closed marginally lower than Tuesday evening whilst physicals, although still unattractive to producers, traded actively both for cocoa beans and products reports Gill and Duffus.

COCOA	Yest'rdays Close	+ or —	Business Done
May	1320-21	—5.5	1363-1510
July	1336-38	—3.5	1344-1329
Sep	1362-63	—4.0	1437-1356
Dec	1408-09	—5.0	1413-1403
March	1429-34	—4.5	1435-1427
May	1445-53	—5.5	1455-1445
July	1467-75	—4.5	1475

Sales: 2,403 (2,884) lots of 10 tonnes.

COFFEE

COFFEE	Yesterd'ys Close £ per tonne	+ or —	Business Done
May	1647-49	+3.5	1653-38
July	1691-32	—	1694.83
Sept	1723-03	+1.0	1725-15
Nov	1755-38	+3.5	1737-25
January	1725-30	+2.0	—
March	1590-10	—5.5	1590
May	1680-10	—1.0	—

Sales: 4,906 (2,339) lots of 5 tonnes.

ICO Indicator prices for April 15 (U.S. cents per pound): Other Mild Arabicas 183.00 (183.67). Robustas ICA 1976 165.50 (same) ICA 1968 163.75 (same). Unwashed Arabicas 211.00 (210.50). Comp. daily ICA 1968 187.83 (187.78).

GRAINS

LONDON GRAIN FUTURES — The market opened unchanged to 5p higher on old crops. After a slow start values increased on steady commercial buying interest to close 55p higher on wheat and 45p higher on barley. New crops opened unchanged to 10p lower on barley and commercial selling pressure eased values in reasonable volume to register losses of 15p-25p on wheat and 15p-30p on barley, reports Acli.

WHEAT Mnth	Yesterday close	+ or —	BARLEY Yesterday close	+ or —
May	94.75	+0.55	92.30	+0.45
Sept.	93.00	—0.15	90.60	—0.25
Nov.	96.80	—0.20	94.70	—0.50
Jan.	100.70	—0.25	98.68	—0.25
Mar.	104.10	—0.15	102.00	—0.15

Business done—Wheat: May 94.90-90.10, Sept. 93.15-92.95, Nov. 97.00-96.75, Jan. 100.70-100.70, Mar. 104.10-104.10. Sales 337 lots of 100 tonnes. Barley: May 92.40-91.75, Sept. 90.85-90.90, Nov. 94.90-94.70, Jan. 98.85-98.70, Mar. 102.05-102.05. Sales 307 lots of 100 tonnes.

IMPORTED—Wheat: U.S. Dark Northern Spring No. 2 14 per cent, April 91.75, May 91.75, June 93.00, July 93.50 trans shipment East Coast. English feed fob April 98.50, May 99.00, East Coast. Maize: French April 117, May 117.50 East Coast. South African yellow April-May 78.50. Barley: English Feed fob May 96.50, June 99.50 East Coast. Rest unquoted.

HGCA—Locational ex-farm spot prices. Other milling wheat: Eastern 97.60, E. Midlands 95.20, N. East 95.50. Feed barley: Eastern 94.00, E. Midlands 92.70, N. East 93.20, Scotland 90.60.

RUBBER

The London physical market opened slightly steadier, with little physical interest throughout the day, closing on a quiet note. Lewis and Peat reported a Malaysian godown price of 329 (327) cents a kg (buyer, May).

No. 1 R.S.S.	Yest'rdays Close	Previous Close	Business Done
May	67.50-67.90	67.80-67.50	67.60
June	69.10-69.70	68.90-68.00	69.10-68.90
Jly.-Sept	72.00-72.60	71.50-71.88	72.28-71.20
Oct-Dec	75.90-76.00	75.40-75.50	76.00-75.10
Jan-Mar	78.70-78.90	78.50-78.90	78.90-78.80
Apr-Jne	81.60-81.70	81.60-81.40	81.80-81.50
Jly.-Sept	84.40-84.60	84.30-84.40	84.10-85.00
Oct-Dec	87.20-87.40	87.30-87.40	87.00-86.60
Jan-Mar	90.00-90.10	90.80-90.40	89.90

Sales: 248 (350) at 15 tonnes, 27 (67) at 5 tonnes.

Physical closing prices (buyer) were: Spot 67.00p (66.50p). May 70.75p (same). June 71.75p (same).

WOOL FUTURES

LONDON NEW ZEALAND CROSSBREDS—Close (in order buyer, seller, business, sales). New Zealand cents per kilo. May 365, 373, nil, nil; Aug. 380, 386, 384, 1; Oct. 382, 386, nil, nil; Dec. 382, 388, nil, nil; Jan. 382, 392, nil, nil; March 390, 400, nil, nil; May 390, 408, nil, nil; Aug. 395, 413, nil, nil; Oct. 395, 418, nil, nil. Sales 1.

SYDNEY GREASY WOOL—Close (in order: buyer, seller, business, sales). Australian cents per pound. May 446.0, 451.0, 451.0-45.0, 63; July 463.0, 467.0-463.0, 285; Oct. no buyer, 466.0, 470.0-465.0, 86; Dec. 467.0, 470.0, 473.0-468.0, 101; March 475.5, 476.5, 476.0-475.0, 27; May 476.5, 478.5-477.0, 28; July 480.0, 481.0, 482.0-481.0, 14; Oct. 482.0, 484.0, 483.0-483.0, 9. Sales: 623.

SOYABEAN MEAL

The London market opened with gains of around £1.00 on commission house buying, reports T. G. Roddick. Short covering particularly in near-by positions gave the market a firm tone and prices finished with gains of up to £1.50.

	Yest'rday Close £ per tonne	+ or —	Business Done
April	110.50-11.0	—1.25	110.50
June	109.10-09.2	+1.65	109.50-108.50
August	108.90-09.2	+1.10	109.50-109.00
October	106.10-06.5	+0.80	106.50-106.00
December	109.40-09.5	+0.40	109.80-109.40
February	111.50-12.4	+0.50	111.50
April	115.00-15.5	+0.75	—

Sales: 111 (50) lots of 100 tonnes.

SUGAR

LONDON DAILY PRICE (raw sugar): £240.00 (£230.00) a tonne cif for April-May-June shipment. White sugar daily price was £251.00 (£244.00).

Prices were confined within a £4 range throughout the day with closing levels near the low points, reports C. Czarnikow.

Sugar Pref. Comm. Con.	Yest'rdays Close £ per tonne	Previous Close	Business Done
May	255.80-54.50	249.00-49.25	257.00-52.00
Aug	263.75-65.50	259.00-59.50	268.00-60.00
Oct	268.05-68.25	259.00-58.50	272.50-66.50

NUMBER 4 CONTRACT—Close (in order: buyer, seller only). May 255.00, 256.00; Aug. 265.00, 265.50; Oct. 270.50, 271.50; Jan. 274.00, 276.00; March 282.50, 283.00; May 282.50, 283.00; Aug. 281.50, 287.00. Sales: 413 (338).

Tate and Lyle ex-refinery price for granulated basis white sugar was £321.7 (same) a tonne for home trade and £324.50 (£315.00) for export.

International Sugar Agreement (U.S. cents per pound fob and stowed Caribbean port). Prices for April 15: Daily price 20.87 (21.08); 15-day average 19.42 (18.34).

COTTON

LIVERPOOL—Spot and shipment sales amounted to 292 tonnes bringing the total for the week so far to 673 tonnes. Fair trading continued despite the high cost of the raw material. Follow-on dealings were reported in certain African styles as well as N. American qualities.

*

GRIMSBY FISH—Supply good, demand good. Prices at ship's side (unprocessed) per stone: Shelf cod £4.50-£5.00, codlings £2.20-£3.40. Medium haddock £5.00, small £3.00-£3.40. Large plaice £3.00-£3.60, medium £3.00-£3.50, best small £3.00-£4.00. Skinned dogfish (medium) £6.00. Lemon soles (large) £9.00, (medium) £8.00. Saithe £2.00-£2.50.

MEAT/VEGETABLES

MEAT COMMISSION — Average fatstock prices at representative markets on April 16. GB cattle 85.02p per kg lw (—2.11). UK sheep 150.5p per kg est dcw (—13.0). GB pigs 65.7p per kg lw (—2.8).

SMITHFIELD—Pence per pound. Beef: Scotch killed sides 69.0 to 74.0. Eire hindquarters 84.0 to 86.0, forequarters 49.0 to 51.0. Veal: English fats 80.0 to 90.0. Dutch hinds and ends 100.0 to 112.0. Lamb: English small new season 84.0 to 94.0. Imported frozen N.Z. PL 60.0 to 60.5, PM 58.0 to 59.0. Hoggets: English 60.0 to 74.0, Scotch 50.0 to 74.0. Pork: English, under 100 lbs. 40.0 to 49.5, 100-120 lbs. 40.0 to 48.0, 120-160 lbs. 38.0 to 46.0.

COVENT GARDEN—Prices in sterling per package except where otherwise stated: Imported Produce: Oranges—Spania: Navels 4.50-5.00; Jaffa: Valencia Lates 50/189s 4.40-5.60; Egyptian: Valencia Lates 75/125s 3.50-3.80; Moroccan: 64/113s 4.20-4.50; Cyprus: Valencia Lates 3.60-4.20. Ortaniques—Jamaican: 54/126s 6.50-7.00. Kares—Spania: 4.50. Lemons—Italian: 100/150s 4.50-4.75; Cyprus 15-kg 84/120s 3.40-4.30; Spania: Trays 25/45s 1.90-2.40; Californian: 99/165s 5.80-6.00; Outspan: 80/195s 5.60-6.00. Grapefruit—Cyprus: 20-kg 3.80-4.80; Jaffa: Large boxes 32/88s 4.00-4.80; Florida: Pink flesh 36/48s 5.80-6.40. Apples—New Zealand: Cox's Orange Pippins: 9.00; Chilean: Granny Smith large boxes 125/150s 8.00; South African: Golden Delicious 7.25-7.50, Starking 7.30-8.00; U.S.: Red Delicious 8.50-9.00; French: Golden Delicious, boxes 40-lb 138/175s 4.40-5.20, 20-lb 2.10-2.80; Italian: Granny Smith 20-lb per pound 0.10, Golden Delicious 0.11, Jonathan 0.09, Romes 0.11. Pears—South African: Approx. 34-lb Beurre Bosc 6.00, Packhams 3.60-8.00; Dutch: Conference per pound 0.16-0.18. Grapes—South African: New Cross 8.20, Barlinka 3.80-4.00. Strawberries—Per punnet, Californian: 0.80; Israeli: 0.40; Spanish: 0.35-0.45. Avocados: Israeli: 4.20-4.50; South African: 4.20-4.50. Melons—Chilean: White 8.00. Pineapples—Ivory Coast: Each 12s 0.50-0.80, 6s 1.10-1.20; South African: 6/9s 2.60-3.00. Bananas—Jamaican: 28-lb, per pound 0.16. Tomatoes—Canary: 4.60-5.50; Dutch: 6.80-7.00; Jersey: 7.20; Guernsey: 6.50-7.50. Onions—Canadian: 50-lb 4.50; South African: 5.00; Chilean: 4.60-5.00; Tasmanian: 20-kg 5.00; New South Wales: 44-lb 4.40. Cucumbers—Canary: 14/18s 1.60-2.00; Dutch: 2.30-2.50. Celery—Israeli: 20/28s 3.60; Spanish: 18/38s 3.50-4.00. Chicory—Belgian: 5-lb 2.00. Potatoes—Egyptian: King Edward 4.80; Canary: 5.50; Cyprus: New crop 28-lb 4.20, 55-lb 5.80. Carrots—Cyprus: Approx. 10-kg 2.40. English Produce: Potatoes—Per bag 2.50-3.00. Mushrooms—Per pound 0.50-0.55. Apples—Per pound Bramley 0.10-0.17, Cox's Orange Pippin 0.13-0.22, Laxtons 0.10-0.12. Pears—Per pound Conference 0.09-0.17. Swedes—Per 25/28-lb 0.60-0.70. Turnips—Per 28-lb 1.40-1.60. Sprouts—Per pound 0.09-0.10. Carrots—Per bag 1.80-2.20. Cabbages—Per bag 1.00, White 1.50. Cauliflowers—Per 12's English 2.00-2.80. Cucumbers—Trays 16/20s 2.60-2.80, prepack 16/20s 3.00-3.20. Tomatoes—Per pound 0.55-0.60. Lettuce—Per 12 round 0.80-1.00. Parsnips—Per 28-lb 1.00-1.20. Rhubarb—Per pound outdoor 0.06. Onions—Per bag 4.20-4.50. Beetroots—Per bag, round 1.40, long 2.00.

PRICE CHANGES

In tonnes unless otherwise stated.

	April 16 1980	+ or —	Month ago
Metals			
Aluminium	£810/815	......	£810/815
Free Mkt	$1890/1930	+10	$1930/20
Copper			
Cash w'bar	£965.5	+24.5	£1,029
3 mths	£985.5	+17.25	£1,042.5
Cash Cathode	£933.3	+21	£988
3 mths	£963.5	+17.5	£1,014.5
Gold troy oz	$529.5	+35	$520
Lead cash	£451	+16	£518
3 mths	£444.20	+11.75	£487.5
Nickel	£3,477	......	£3,335
Freemkt(cif) lb	285/310c	......	295/310c
Platin'mtr'y oz	£189-193	......	£180
Free mkt	£282.15	+24.3	£287.55
Quicksil'ver†	$402/412	......	$395/405
Silver troy oz	670.45p	+8.35	941.20p
3 months	692.85p	+5.45	975.30p
Tin Cash	£7,815	+85	£7,775
5 mths	£7,812.5	+85	£7,812.5
Tungsten22.04lb	$141.56	......	$141.14
Wolfrm 22.04lb	$144/148	......	$147/151
Zinc cash	£330.5	+6.5	£328
3 months	£333.5	+5	£351.5
Producers	$820	......	$825
Oils			
Coconut (Phil)	$700t	+5	$750
Groundnut	‡	......	‡
Linseed Crude	£435	—12	£459
Palm Malayan	$615x	......	$632.50
Seeds			
Copra Philip	$445	—10	$505
Soyabean (U.S.)	$264.x	+2	$276.50
Grains			
Barley Futures	£90.60	—0.30	£94.86
Maize			
French No3AM	‡	......	£116
Wheat			
No. 1 Red Spg.	‡	......	‡
No2HardWint.	‡	......	‡
Eng. Millingt.	‡	......	‡
Other commodities			
Cocoa ship't	£1,351	—1	£1,459
Future July	£1,3.337	—3.5	£1,423
CoffeeF't'r July	£1,691.0	+1	£1,644
Cotton A.Index	91.05c	+0.2	91.25c
Rubber (kilo)	657p	......	68 o
Sugar (Raw)	£240	+10	£208
Wooltp's 64s kl	296p kilo	—5	308p kilo

o June. e May. t May-June. r April-May. x July. z Indicator. § Buyer. ‡ Per 76 lb flask.

AMERICAN MARKETS

NEW YORK, April 15.

GOLD AND copper markets rallied on rumours of Soviet troop build-up on the Iranian border. Silver retreated on lack of interest. Good trade and commission house buying moved sugar prices sharply higher. Cotton finished mixed on arbitrage trading. Trade buying supported nearby cocoa months, while distant months came under selling pressure. Coffee was featureless and was confined to a narrow trading range. A late rally in soyabeans and maize was not sufficient to pull wheat out of the loss position. Cattle and hogs sold lower, while the pork bellies staged a short covering rally, reported Heinold.

Cocoa—May 126.75 (127.70), July 125.55 (126.25), Sept. 126.05, Dec. 2881, March 2924, May nil, July nil, Sept. nil. Sales 1,170.

Coffee—"C" Contract: May 185.00-165.50 (186.02), July 192.75-193.00 (193.39), Sept. 198.75-199.00, Dec. 181.90-192.00, March 184.00-184.50, May 184.25-186.00, July 185.00-187.80, Sept. 187.50-189.00. Sales 3,682.

Copper—April 81.60 (89.00), May 92.10-92.90 (90.10), June nil, July 95.30-95.50, Sept. 97.50-98.00, Dec. 100.30, Jan. 101.00, March 102.30, May 103.60, July 104.90, Sept. 106.20, Dec. 108.10, Jan. 108.80. Sales 6,000.

Cotton—No. 2: May 84.10-84.40 (65.55), July 82.10-82.30 (83.60), Oct. 78.50, Dec. 74.10-74.20, March 75.00, May 75.40, July 77.15-78.00, Oct. nil. Sales 10,050.

*Gold—April 520.0-522.0 (507.5), May 523.2 (511.5), June 527.0-533.0, Aug. 544.0-550.0, Oct. 560.6, Dec. 575.6, Feb. 580.5, April 605.2, June 618.7, Aug. 634.1, Oct. 648.4, Dec. 662.6, Feb. 676.7. Sales 22,000.

Orange Juice—May 90.60-90.70 (87.80), July 91.00-91.25 (88.90), Sept. 92.25, Nov. 92.85-93.00, Jan. 92.25, March 93.25-93.50, May 94.10-94.25, July 94.95-95.10, Sept. 95.40-95.75. Sales 700.

Potatoes (round whites)—May 48.0-48.1 (49.0), Nov. 74.4-74.3 (74.5). Sales 529.

*Platinum—April 600.0-605.0 (584.5), May unquoted (unquoted), June unquoted, July 627.0-633.0, Oct. 650.0-660.0, Jan. 685.4, April 712.6, May unquoted. Sales 1,307.

¶Silver—April 1430.0-1435.0 (1455.0), May 1440.0-1455.0 (1470.0), June 1469.0, July 1490.0, Sept. 1539.0, Dec. 1604.0, Jan. 1625.5, March 1669.5, May 1713.5, July 1757.5, Sept. 1801.5, Dec. 1866.5, Jan. 1887.5. Sales 3,000. Handy and Harmon bullion spot 1430.00 (1485.00).

Sugar—No. 11: May 23.20-23.35 (21.93), July 23.98 (22.98), Sept. 24.35, Oct. 24.61, Jan. 25.30, March 25.96, May 26.04, July 26.20, Sept. 26.30. Sales 14,800.

Tin—794.00-800.00 asked (789.00-802.00).

CHICAGO, April 15.

Lard—Chicago loose 19.00 (same). New York prime steam 20.50 (same).

Live Cattle—April 65.05-65.25 (65.77), June 64.95-64.80 (65.67), Aug. 64.35-64.25, Oct. 63.00-62.90, Dec. 64.02-64.00, Jan. 64.65, Feb. 65.00-64.95.

Live Hogs—April 29.45-29.40 (29.52), June 34.20-34.40 (34.35), July 35.55-35.40, Aug. 34.70-34.50, Oct. 35.45-35.35, Dec. 38.75-38.65, Feb. 41.92, April 41.10, June 43.75.

‡‡Maize—May 267¾-268½ (266¾), July 281¾-281 (279½), Sept. 291¾-291½, Dec. 297¾-298, March 310, May 317.

Closing prices for North America were not available for this edition.

Pork Bellies—May 33.50-33.35 (32.90), July 34.75-34.55 (34.15), Aug. 34.10-34.00, Feb. 48.25-48.00, March 47.75, May 48.25, July —, Aug. —.

†Soyabeans — May 596½-595 (590½), July 621½-620½ (614½), Aug. 631½, Sept. 640, Nov. 655-656, Jan. 672-672, March 690-690½, May 704-704½.

‖Soyabean Meal — May 163.7-163.8 (163.1), July 171.7-171.8 (171.1), Aug. 175.3, Sept. 177.2-178.0, Oct. 180.3, Dec. 184.3, Jan. 186.5, March 181.2-191.0, May 194.0-194.3, July 195.0-196.0.

Soyabean Oil — May 20.82-20.80 (20.51), July 21.50-21.45 (21.23), Aug. 21.80, Sept. 22.10, Oct. 22.35-22.30, Dec. 22.68-22.80, Jan. 23.00-22.90, March 23.35, May 23.70-23.75, July 24.10-24.20, March —.

†Wheat—May 391-390½ (392¼), July 400-399 (400½), Sept. 413, Dec. 432-431½, March 445½, May 452.

WINNIPEG, April 15. §Barley—May 112.50 (113.50), July 114.60 (115.40), Oct. 110.40, Dec. 110.30, March 110.80.

§Wheat—SCWRS 13.5 per cent protein content cif St. Lawrence 207.48 (207.83).

All cents per pound ex-warehouse unless otherwise stated. * $ per troy ounce. ¶ Cents per troy ounce. ‡‡ Cents per 56-lb bushel. † Cents per 60-lb bushel. ‖ $ per short ton (2,000 lbs). § $Can. per metric ton. §§ $ per 1,000 sq. feet. ‡ Cents per dozen.

EUROPEAN MARKETS

ROTTERDAM, April 16.

Wheat—U.S. No. 2 Red Winter June $174, July $173, Aug. $178. U.S. No. 2 Northern Spring 14 per cent April-May $182, May $182, June $185.50, July $186.50. Rest unquoted.

Maize—U.S. No. 3 Corn Yellow afl $136, April $134.50, May $132.75, $133 traded, $133.25 sellers. June $135.50, July Sept. $142, Oct.-Dec. $147, Jan.-March $154.50.

Barley—1-2 Canadian Feed U.S. April $144.50, May $144.50, June $144.50.

Soyameal—44 per cent protein U.S. afl $233, April $220, May $217, June $217.50, July-Aug. $226, Sept. $230, Nov.-March $240. Brazil Pellets afl $229, May $225.50, June-July $227, Aug.-Sept. $233.50, Nov.-March $249.

PARIS, April 16.

COCOA (FFr per 100 kilos)—May 1256-1270, July 1325, Sept. 1310-1330, Dec. 1315-1330, March 1330-1300, May 1340-1360. Sales at call 2.

INDICES

FINANCIAL TIMES

Apr. 15	Apr. 14	M'nth ago	Year ago
295.02	295.40	292.49	272.25

(Base: July 1, 1952=100)

MOODY'S

Apr. 15	Apr. 14	M'nth ago	Year ago
1134.5	1159.0	1244.4	1046.7

(December 31, 1931=100)

DOW JONES

Dow Jones	April 11	April 14	Month ago	Year ago
Spot	419.07	419.77	421.75	382.97
F'tur's	429.92	429.60	440.04	385.66

(Average 1924-25-26=100)

REUTERS

Apr. 16	Apr. 15	M'nth ago	Year ago
1754.8	1717.7	1740.2	1542.5

(Base: September 18, 1931=100)

LONDON STOCK EXCHANGE

Revived institutional demand gives boost to equities

Long tap oversubscription seems a mere formality

Account Dealing Dates
Options

*First Dealings	Declarations	Last Dealings	Account Day
Mar. 24	Apr. 10	Apr. 11	Apr. 21
Apr. 14	Apr. 24	Apr. 25	May 6
Apr. 28	May 8	May 9	May 19

* "New time" dealings may take place from 9 am two business days earlier.

Equity markets changed course quite distinctly yesterday when institutional investors cast aside their recent lethargy and committed funds to a wide range of quality shares, many of which were found to be in short supply. At the same time, a more speculative interest was drawn to Properties and Oils, and firmness here swiftly benefited sentiment in markets generally. Early indecision cleared as professional bear positions were covered and most equity sectors progressed to close on a firm note.

Optimistic views about lower interest rates apparently ignited the Property sector and some good gains developed in a one-way trade. Secondary Oils initially had followers, many of whom were looking for yet a further increase in crude oil prices, but the strength failed to last. Trading statements often made an impact and selected constituents of the FT 30-share index also fared well with rises extended to eight pence: the index recorded its largest single-day rise so far this month to close 5.3 up at 443.1, after having been marginally easier at 10.00 am.

The trend in Gilt-edged securities was similar with quotations soon regaining early falls ranging to ¼ to close strongly, which led to the general conclusion that over-subscription of the new £1bn long tap stock this morning would be a formality. Switching operations constituted much of the day's business with the majority of funds being reserved for today's tap applications with only £20 payable at tender for the stock, Treasury 13¼ per cent 2004-08, issued at 95.

General interest revived just before the official close, however, following news of the first major U.S. prime rate cut in many months; Chase Manhattan reduced its rate from 20 to 19¾ per cent effective immediately. Gains to ½ were extended in the after-hours' trade by ¼ or so, especially among ultra-longs, while the shorts, around 1/16 higher at 3.30 pm, also moved up a ¼ more.

Hopes of cheaper money prompted an extremely active Traded options business in Land Securities which contributed 671 trades to a total of 1,392, the highest for over two months. Also in demand were Racal, with 245 deals, and Cons. Gold Fields, with 113.

Banks made headway under the lead of NatWest which put on 8 to 330p, rises in other leaders being limited to 4. Standard Chartered, at 480p, picked up 10 of the previous day's loss of 20 which reflected disappointment with the 18 per cent profits increase. Elsewhere, UDT shed a penny to 56p, but F.C. Finance gained 3 to 70p and First National Finance hardened 1½ to 18½p.

Insurance brokers held steady to firm with Stewart Wrightson putting on 5 more to 215p. Among Life issues, Pearl gained 4 to a 1980 peak of 318p, while Provident rose 6 to 158p following the results and Sun firmed 3 to 158p after the dividend policy statement.

In quietly firm Buildings, Tarmac added 7 to 230p and Blue Circle 4 to 308p, while Ready Mixed Concrete improved 3 to 171p, the last-named in continued response to the annual results. Rugby Portland Cement, at 70p, recovered the previous day's fall of a couple of pence that followed the preliminary statement and £12.8m rights issue announcement. Among Contracting and Construction issues, Taylor Woodrow picked up 6 to 342p, while gains of 3 were marked against Costain, 152p, and Aberdeen, 83p. Y. J. Lovell and Marchwiel firmed 5 apiece to 129p and 85p respectively, but Brown and Jackson shed that much further to 175p and Wilson (Connolly) lost 6 to 184p on profit-taking. Lower interest rate hopes helped housebuilders to higher levels, Barratt Developments adding 4 to 113p and Bellway a couple of pence to 72p.

Turnover in ICI was described as poor, but the shares hardened 4 to 372p. Buying ahead of the annual results due next Wednesday lifted Laporte 6 to 112p, while Leigh Interests rose 10 for a three-day gain of 18 to 136p on country support.

W. H. Smith disappoint

Selective support was evident for leading Stores. British Home were firm ahead of next month's preliminary results, closing 9 better at 284p, while gains of around 5 were common to GUS "A," 390p, and Mothercare, 242p. Burton continued the recent recovery and added a couple of pence to 117p, while UDS picked up a similar amount at 73p. A sizeable turnover was done in W. H. Smith which announced full-year profits some £3m below general market expectations and fell 14 to 132p. Home Charm eased 4 more to 132p on further consideration of the annual results, but fellow D-I-Y concern Harris Queensway attracted buyers and added 5 to 201p. B and Q (Retail) lost 4 to 74p following adverse Press comment; the annual results are due on Wednesday. Owen Owen held steady at 108p after the results which were deemed to be satisfactory, while I. J. Dewhirst firmed 4 to 79p in response to the increased annual profits and dividend together with a proposed 1-for-3 scrip issue. Grattan Warehouses closed 2 firmer at 86p awaiting the results, but Kitchen Queen continued weak and gave up 3 for a two-day loss of 6 at 15p. Among Shoes, Stylo encountered increased speculative demand and added 10 more at 170p.

Electricals continued to attract selective demand. GEC were prominent at 384p, up 7, and Racal put on 4 to 244p, as did Plessey, at 144p. Thorn EMI rose 8 to 306p. A.B. Electronic and Unitech stood out with gains of 9 to 156p and 15 to 290p respectively, the latter after 295p. Farnell rose 10 to 296p: the results are due next Tuesday. Other firm spots included Eurotherm, 317p, and Forward Technology, 94p, which both gained 7, the latter on further consideration of the 25 per cent profits increase at the half-way stage. Telephone Rentals attracted further investment support and put on 4 to 202p, while Standard Telephone and Cables steadied to 266p after Tuesday's fall of 8 following the results. Brocks Group weakened 11 to 43p on continued nervousness ahead of preliminary figures, due today.

Engineering issues moved within narrow limits with prices rarely changed by more than a couple of pence. Among the leaders, Hawker Siddeley announced preliminary results much in line with expectations but with a disappointingly small dividend increase; after being a couple of pence harder, the shares closed unchanged at 184p. GKN met buyers and added 5 at 267p. Special situations provided interest among secondary counters. Richardsons Westgarth became a good market, 5 up at 39p, following the £2m turnround from a pre-tax loss to a profit of £1.4m. William Sindall on the other hand eased 10 to 155p on the halved annual profits. Beauford held at 48p despite lower full-year profits, but Linread added a few pence to 35p on the higher interim profits.

Leading Foods were featured by Rowntree Mackintosh which rose 10 to 160p on second thoughts about the annual results. A. B. Foods also came in for support and improved 4 to 91p, while British Sugar revived with a gain of 5 to 175p.

Berwick Timpo up

Slightly easier at the start, miscellaneous Industrial leaders picked up to close a shade better on the day. Unilever put on 6 to 406p with other gains limited to 2 or 3 pence. Comment on the interim statement led to support for Smiths Industries which rose 6 to 214p. Berwick Timpo were good at 73p, up 5, on the 44 per cent increase in pre-tax profits and a near-80 per cent dividend rise, while sharply higher figures left Portals 8 up at 262p. Lead Industries continued to attract buyers and put on 5 to 162p and, similarly, Marshall's Universal rose 6 to 92p. Full-year profits up 43 per cent and an optimistic statement caused a rise of 5 to 157p in William Baird, while further consideration of the results and proposed scrip issue took Jardine Matheson up 3 to 140p. Bestobell responded to investment comment with a rise of 5 to 230p and Esperanza figured among other firm spots with a gain of 7 to 115p. Wilkins and Mitchell held at 26p despite the poor results.

Christies International put on 5 to 164p; the price in yesterday's issue was in error.

Among generally firm Newspapers, News International rose 5 to 158p on further consideration of the preliminary statement, but Bristol Evening Post fell 6 to 146p following news that the company has suspended publication due to NGA sanctions.

Properties attracted fresh support and registered gains on the prospect of lower interest rates in the near future.

Secondary Oils feature

The average 35 cents per barrel North Sea oil price increase stimulated a reasonable demand for secondary oils, but closing levels were below the best. Burmah were given added impetus by the better-than-expected annual profits and dividend and touched 226p before settling 7 higher on balance at 22p. A combination of bid hopes and rumours of an imminent broker's bullish circular lifted Lasmo 17 to 510p, after 515p, and the OPS 40 to 995p. Fresh speculative support was forthcoming for Siebens UK which put on 45 to 855p, while I.C. Gas revived with a gain of 18 to 740p. Tricentrol continued firmly, up 8 more to 302p, after 306p, as did Ultramar, 4 higher at 566p, after 570p. An investment recommendation lifted Woodside 9 to 106p.

Guthrie became a volatile market ahead of today's meeting to approve the takeover of City and International Trust, the shares fluctuating between extremes of 840p and 812p before closing up on balance at 825p; City and International eased the turn to 12p. Elsewhere in Plantations, Hongkong Rubber rose 43 to 658p in a thin market following the increased annual dividend.

RTZ advance

Mining markets were featured by Rio Tinto-Zinc which moved up strongly following much-better-than-forecast profits and dividend to close 17 higher at 380p. Some other London-registered Financials also gained ground following RTZ figures. Tanks rose 5 to 255p and Charter Consolidated 3 to 153p.

South African Golds were firm throughout the day but failed fully to reflect the sharp recovery in the bullion price, which advanced $32 to $529.50 an ounce.

Among the heavyweights Hartebeest put on a half-point to £24¾ following the 39 per cent rise in net profits for the past quarter. Medium and lower-priced issues were featured by Stilfontein, 695p and Unisel, 421p, which added 29 and 17 respectively ahead of March quarter results showing Stilfontein's profits up 95 per cent and those of Unisel 114 per cent higher. The Gold Mines index rose 2.9 to 293.6.

Australians continued to reflect the uncertain trend in overnight Sydney and Melbourne markets. Gold issues were quietly steady until the late afternoon when the sharp rise in the bullion price encouraged a flurry of buying interest.

Samantha jumped 10 to 80p, Poseidon and Otter 6 apiece to 116p and 66p respectively and North Kalgurli 4 to 64p.

Elsewhere, Hemerdon Mining rose 10 to 170p, after 180p, compared with Tuesday's introductory price of 135p, following renewed London interest, while disappointment with the March quarter results prompted persistent selling of Consolidated Murchison which dipped 20 to 360p.

LONDON TRADED OPTIONS

Option	Ex'rcise price	April Closing offer	April Vol.	July Closing offer	July Vol.	Oct. Closing offer	Oct. Vol.	Equity close
BP	300	38	11	—	—	—	—	334p
BP	325	12	1	—	—	—	—	"
BP	330	—	—	34	30	46	11	"
BP	360	—	—	19	—	30	1	"
BP	390	—	—	11	30	20	1	"
BP	420	—	—	5	5	13	—	"
Com. Union	180	11	1	18	—	24	—	150p
Cons. Gold	460	19	48	48	—	70	—	470p
Cons. Gold	500	1	80	28	40	48	3	"
Cons. Gold	550	1	—	11	—	26	2	"
Courtaulds	60	9	—	11½	88	12½	—	67p
Courtaulds	70	1½	4	5	—	7	—	"
GEC	360	25	60	48	—	61	—	383p
GEC	390	3½	15	28	—	43	—	"
Grand Met.	120	3½	9	18	—	19	4	122p
Grand Met.	130	½	—	5½	14	11	—	"
Grand Met.	140	¼	—	3½	—	5½	21	"
ICI	360	18	9	36	—	46	—	371p
Land Secs.	240	75	20	—	—	—	—	315p
Land Secs.	280	36	—	43	3	57	—	"
Land Secs.	300	15	27	31	18	43	—	"
Land Secs.	330	1¼	602	14	103	—	—	"
Marks & Sp.	80	3½	—	8	15	13	6	98p
Marks & Sp.	100	¾	—	4½	—	8½	1	"
Shell	360	8½	—	28	14	35	—	347p
Shell	420	1	—	6	1	10	—	"
Totals			714		294		48	

Option	Ex'rcise price	May Closing offer	May Vol.	August Closing offer	August Vol.	November Closing offer	November Vol.	Equity close
Boots	180	21	4	28	—	35	—	191p
Imperial Gp.	80	2½	—	5½	50	7	—	197p
Imperial Gp.	90	½	—	2	—	3	10	"
Racal Elec.	180	53	10	78	—	—	—	130p
Racal Elec.	200	45	1	54	—	61	—	"
Racal Elec.	220	25	181	39	1	48	—	"
Racal Elec.	240	12	110	24	2	36	—	"
RTZ	330	50	15	70	—	80	—	377p
RTZ	360	22	2	48	—	60	—	"
RTZ	390	11	1	48	1	45	5	"
RTZ	420	3	—	20	—	33	1	"
Totals			365		—		16	

FINANCIAL TIMES STOCK INDICES

	Apr. 16	Apr. 15	Apr. 14	Apr. 11	Apr. 10	Apr. 9	A year ago
Government Secs.	66.52	66.51	66.96	66.16	65.89	66.46	74.92
Fixed Interest	66.75	66.84	66.76	66.39	66.10	65.76	77.00
Industrial	443.1	437.8	438.2	435.5	431.8	431.3	534.4
Gold Mines	293.6	†290.7	306.5	507.7	511.1	322.1	137.2
Ord. Div. Yield	7.98	8.05	8.01	8.05	8.07	8.08	5.42
Earnings, Yld. % (full)	19.48	19.69	19.70	19.75	19.80	19.71	14.48
P/E Ratio (net) (*)	6.28	6.22	6.21	6.20	6.20	6.25	8.69
Total bargains	16,643	18,172	19,678	18,075	17,843	16,509	—
Equity turnover £m	—	84.19	83.86	92.88	100.03	70.43	78.42
Equity bargains total	—	10,879	11,398	13,078	12,691	11,362	14,924

10 am 437.4. 11 am 437.7. Noon 439.8. 1 pm 441.3. 2 pm 442.0. 3 pm 441.8.

Latest Index 01-246 8026.

* Nil=5.98.

Basis 100 Govt. Secs. 15/10/26. Fixed Int. 1928. Industrial Ord. 1/7/35. Gold Mines 12/9/55. SE Activity July-Dec. 1942. † Corrected.

HIGHS AND LOWS

	1980 High	1980 Low	Since Compilat'n High	Since Compilat'n Low
Govt. Secs.	69.29 (21/1)	63.85 (7/3)	127.4 (9/1/35)	49.18 (3/1/75)
Fixed Int.	69.61 (21/1)	64.70 (10/3)	160.4 (28/11/47)	50.53 (3/1/75)
Ind. Ord.	478.8 (15/2)	405.9 (3/1)	558.6 (4/5/79)	49.4 (26/6/40)
Gold Mines	377.9 (29/2)	295.5 (19/3)	442.3 (22/5/75)	43.5 (26/10/71)

S.E. ACTIVITY

	Apr. 16	Apr. 15
Daily		
Gilt Edged	137.4	146.4
Industrials	88.9	97.5
Speculative	26.8	20.0
Totals	69.0	74.8
5-day Av'ge.		
Gilt Edged	129.6	124.0
Industrials	101.4	103.1
Speculative	29.0	31.5
Totals	75.2	75.8

NEW HIGHS AND LOWS FOR 1980

The following securities quoted in the Share Information Service yesterday attained new Highs and Lows for 1980.

NEW HIGHS (78)

LOANS (2)
ICFC 10½pcUns.Ln '86 — Do. 11pcUns.Ln. '88

BANKS (3)
F.C. Finance — Hambros — First Nat. Finance

BEERS (3)
Allied Breweries — Marston Thompson — Bass

BUILDINGS (1)
Lovell (Y. J.)

STORES (3)
Dewhirst (I. J.) — Mothercare — Harris Queensway

ELECTRICALS (7)
BICC — Racal Electronics — Electrocomponents — Unitech — Forward Technology — Wholesale Fittings — Philcom

ENGINEERING (4)
British Steam — Downiebrae — Bronx Engineering — Richardsons Wstgrth.

FOODS (4)
Alpam — Brooke Bond — British Sugar — Cadbury Schweppes

INDUSTRIALS (6)
Beatson, Clark — Fothergill & Harvey — Boots — ICL — Bowater — Mysan

INSURANCE (6)
Eagle Star — Sedgwick — Pearl — Stewart Wrightson — Provident — Sun Life

LEISURE (2)
Hawley Leisure — Scottish TV A

PAPER (1)
Wyatt (Woodrow)

PROPERTY (31)
British Land 12pc Conv. 2002 — Do. 6½pc Conv. '85 — Do. 10pc Conv. '95 — Brixton Estate — London Shop Prpty — Capital & Counties — Lynton Hldgs. — Centrovincial — Marlborough — Chesterfield — McKay Secs. — City Offices — Peachey — Clarke, Nickolls — Property Prtnrship. — County & District — Prop. & Rev. Inv. — Daejan Hldgs. — Regional Prop. A — Estates Prop. Inv. — Rush & Tomkins — Fairview Ests. — Scottish Metro. — Hammerson A — Slough Ests. 10pc Conv. '90 — Imry Property — Stock Conversion — Land Investors — Trafford Park — Land Securities — Do. 5¾pc Conv. '83

TRUSTS (4)
Argo Inv. — Tor Inv. Cap. — Lazard String. Res. — Hambro Trust

OIL & GAS (2)
Edinburgh Secs. — Ultramar

MINES (1)
Whim Creek

NEW LOWS (30)

AMERICANS (6)
Crown Zellerbach — Norton Simon — Honeywell — Sperry Corp. — IBM — Xerox Corp.

CANADIANS (1)
Massey Ferguson

STORES (5)
Empire Stores — Reed (Austin) A — Home Charm — Smith (W. H.) A — Moss Bros.

ELECTRICALS (3)
Audiotronic 12pc Ptg. Pref. — Brocks — Mainline Elect.

ENGINEERING (1)
Yarrow

FOODS (1)
Danish Bacon A

HOTELS (1)
Wheeler's Restaurant

INDUSTRIALS (1)
Silentnight

MOTORS (2)
York Trailer — Bluemel Bros.

SHOES (2)
Pittard — Wearra

TEXTILES (1)
Pickles (W.)

TRUSTS (2)
Channel Is. Cap. — Sizewell

MINES (4)
Patino NV — West Coast — Pancontinental — Amal. Tin Nigeria

RISES AND FALLS YESTERDAY

	Up	Down	Same
British Funds	77	3	8
Corpns. Dom and Foreign Bonds	5	4	57
Industrials	306	99	891
Financial & Prop.	212	41	247
Oils	22	7	19
Plantations	3	6	19
Mines	49	31	74
Others	44	51	36
Totals	717	241	1,451

FT-ACTUARIES SHARE INDICES

These Indices are the joint compilation of the Financial Times, the Institute of Actuaries and the Faculty of Actuaries

EQUITY GROUPS & SUB-SECTIONS

Figures in parentheses show number of stocks per section

	EQUITY GROUPS & SUB-SECTIONS	Wed., April 16, 1980 Index No.	Day's Change %	Est. Earnings Yield % (Max.)	Gross Div. Yield % (ACT at 30%)	Est. P/E Ratio (Net)	Tues., April 15 Index No.	Mon., April 14 Index No.	Fri., April 11 Index No.	Thurs., April 10 Index No.	Year ago (approx.) Index No.
1	CAPITAL GOODS (173)	239.35	+1.3	18.60	6.69	6.76	236.35	235.94	234.22	232.52	272.54
2	Building Materials (28)	233.81	+1.1	17.84	6.82	7.15	231.25	231.04	228.08	227.31	256.39
3	Contracting, Construction (28)	353.67	+1.3	27.20	6.96	4.46	349.19	349.30	346.10	346.65	420.68
4	Electricals (16)	635.48	+1.9	13.08	3.97	9.96	623.36	623.24	613.75	604.84	656.40
5	Engineering Contractors (11)	283.01	+0.5	26.71	9.08	4.79	281.66	277.24	272.35	271.36	401.37
6	Mechanical Engineering (74)	159.64	+0.7	21.55	8.51	5.86	158.52	158.17	157.98	157.24	202.97
8	Metals and Metal Forming (16)	162.39	+1.0	21.38	10.83	5.62	160.71	160.05	162.79	161.64	180.74
	CONSUMER GOODS										
11	(DURABLE) (49)	218.33	+1.3	15.46	5.84	7.98	215.44	214.49	210.10	208.60	249.04
12	Lt. Electronics, Radio, TV (14)	316.30	+1.9	11.56	4.39	11.06	310.31	308.01	298.99	295.98	337.99
13	Household Goods (14)	106.28	−1.1	27.81	10.37	4.24	107.46	107.88	107.90	107.64	176.14
14	Motors and Distributors (21)	103.10	+0.2	24.08	9.66	4.93	102.89	103.13	103.14	103.12	128.51
	CONSUMER GOODS										
21	(NON-DURABLE) (173)	217.08	+0.9	18.76	7.14	6.55	215.06	214.49	211.61	211.04	255.23
22	Breweries (14)	268.18	+1.1	16.49	6.55	7.12	265.37	264.81	258.19	258.66	291.14
23	Wines and Spirits (6)	301.79	+1.6	18.05	6.19	6.83	297.05	295.87	293.20	292.02	330.19
24	Entertainment, Catering (17)	291.45	+0.9	19.45	7.45	6.40	288.85	295.08	291.61	290.98	357.73
25	Food Manufacturing (21)	190.28	+1.5	20.67	7.74	5.94	187.47	185.81	185.18	184.73	223.80
26	Food Retailing (13)	299.43	+1.4	13.17	4.70	9.13	295.41	295.84	293.86	291.90	301.41
32	Newspapers, Publishing (13)	417.58	+0.8	24.32	7.25	5.60	414.13	412.23	412.43	406.52	465.54
33	Packaging and Paper (15)	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	149.72
34	Stores (43)	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]
35	Textiles (24)	123.06	+1.0	29.30	12.52	4.25	121.89	121.00	119.36	119.32	178.27
36	Tobaccos (3)	282.07	+0.2	28.82	11.45	3.96	281.61	281.58	281.58	281.58	272.13
37	Toys and Games (5)	53.02	+1.1	[illegible]	[illegible]	[illegible]	52.44	52.31	52.51	51.96	[illegible]
41	OTHER GROUPS (97)	200.14	+1.0	17.52	7.34	6.82	198.25	198.35	197.42	196.56	222.88
42	Chemicals (16)	299.01	+1.2	20.71	8.03	5.62	295.43	297.55	297.47	295.50	312.19
44	Pharmaceutical Products (7)	193.06	+1.5	15.00	6.93	9.34	190.18	191.74	195.30	194.22	268.54
45	Office Equipment (6)	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]
46	Shipping (11)	464.24	+1.7	11.99	6.50	10.32	456.32	457.36	455.92	451.58	444.55
47	Miscellaneous (57)	239.36	+0.4	17.25	7.01	7.27	238.39	236.11	231.71	230.41	256.14
49	INDUSTRIAL GROUP (492)	225.97	+1.1	18.18	6.98	6.78	223.92	222.82	220.54	219.52	259.05
51	Oils (8)	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]
59	500 SHARE INDEX	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]
61	FINANCIAL GROUP (118)	[illegible]	[illegible]	—	[illegible]	—	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]
62	Banks (6)	215.07	+1.4	45.63	7.16	2.70	212.08	212.04	206.62	204.70	242.96
63	Discount Houses (10)	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]
64	Hire Purchase (5)	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]
65	Insurance (Life) (10)	177.41	+0.7	—	[illegible]	—	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]
66	Insurance (Composite) (9)	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]
67	Insurance Brokers (10)	304.71	+0.2	16.22	6.72	8.67	304.15	301.58	287.88	288.36	322.71
68	Merchant Banks (14)	[illegible]	[illegible]	—	[illegible]	—	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]
69	Property (45)	386.85	+2.3	3.37	2.90	42.62	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]
70	Miscellaneous (9)	126.83	+1.6	16.44	7.41	8.06	124.86	128.63	127.93	126.25	126.17
71	Investment Trusts (109)	[illegible]	[illegible]	—	[illegible]	—	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]
81	Mining Finance (4)	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]
91	Overseas Traders (19)	390.23	+0.6	13.00	6.92	9.42	387.84	384.55	[illegible]	[illegible]	366.69
99	ALL-SHARE INDEX (750)	248.65	+0.9	—	6.75	—	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]

FIXED INTEREST PRICE INDICES

	British Government	Wed., April 16	Day's change %	xd adj. today	xd adj. 1980 to date
1	Under 5 years	101.96	+0.25	0.19	3.35
2	5-15 years	106.16	+0.26	0.65	3.97
3	Over 15 years	110.08	+0.20	—	4.51
4	Irredeemables	126.25	+0.20	—	1.78
5	All stocks	105.78	+0.23	0.23	3.79

FIXED INTEREST YIELDS British Govt. Av. Gross Red.

			Wed., April 16	Tues., April 15	Year ago (approx.)
1	Low	5 years	12.63	12.70	9.23
2	Coupons	15 years	12.48	12.46	10.18
3		25 years	12.42	12.46	10.77
4	Medium	5 years	14.40	14.49	10.85
5	Coupons	15 years	14.56	14.64	11.27
6		25 years	13.87	13.84	11.61
7	High	5 years	14.51	14.59	11.23
8	Coupons	15 years	14.36	14.39	11.65
9		25 years	14.26	14.29	11.86
10	Irredeemables		11.85	11.93	10.60

		Wed., April 16 Index No.	Wed., April 16 Yield %	Tues. April 15	Mon. April 14	Fri. April 11	Thurs. April 10	Wed. April 9	Tues. April 8	Thurs. April 3	Year ago (approx.)
15	20-yr. Red. Deb & Loans (15)	46.74	14.88	46.62	46.68	46.49	49.41	46.31	46.26	46.26	60.90
16	Investment Trust Prefs. (15)	47.78	14.17	47.09	47.69	47.05	46.88	46.88	46.86	46.88	52.63
17	Coml. and Indl. Prefs. (20)	51.26	14.62	61.46	61.48	61.01	61.01	51.03	51.03	51.08	74.78

† Redemption yield. Highs and lows record base dates and values and constituent changes are published in Saturday issues. A new list of the constituents is available from the Publishers, the Financial Times, Bracken House, Cannon Street, London, EC4P 4BY, price 15p, by post 25p.

ACTIVE STOCKS

Stock	Denomination	No. of marks	Closing price (p)	Change on day	1980 high	1980 low
GEC	25p	8	384	+ 7	388	326
ICI	£1	8	372	+ 4	402	353
Tricentrol	25p	8	302	+ 8	334	250
Beecham	25p	7	118	+ 3	134	112
LASMO	25p	7	510	+17	528	337
NatWest Bank	£1	7	330	+ 8	373	305
RTZ	25p	7	380	+17	485	327
BP	25p	6	336	− 2	412	328
Allied Breweries	25p	5	74	+ 1	74	68
Boots	25p	5	198	+ 3	198	158
Burmah	£1	5	222	+ 7	249	162
GKN	£1	5	267	+ 5	277	237
Racal Elec.	25p	5	244	+ 4	244	175
Shell Transport	25p	5	344	− 2	410	314
Unilever	25p	5	406	+ 6	480	358

OPTIONS

DEALING DATES

First Dealing	Last Dealing	Last Declaration	For Settlement
Mar. 31	Apr. 19	July 10	July 21
Apr. 21	May 2	Aug. 7	Aug. 18
May 6	May 17	Aug. 28	Sept. 8

For rate indications see end of Share Information Service.

Calls were dealt in Burmah, Ward White, Tricentrol, Courtaulds, Woodside, Henry Ansbacher, Lonrho, W. L. Pawson, Montague L. Meyer, Australian Consolidated Minerals, BP, Bambers, FNFC, KCA, BSG, Bank and Commercial, BICC, Coral Leisure and Premier Oil. Puts were completed in FNFC, Premier Oil, Oxley Printing and Commercial Union, while doubles were transacted in Burmah, Town and City, Woodside and Tricentrol.

RECENT ISSUES

EQUITIES

Issue Price p	Amount Paid up	Latest Renunc. Date	1980 High	1980 Low	Stock	Closing Price p	+ or −	Div.	Times Covered	Gross Yield	P/E Ratio
[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	Berkley Exploration	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]
[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	Hemerdon Mining	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]
[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	Lon.Mere'tSecs.Dfd.	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]
[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	Morley (R.H.) 10p	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]
[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	Rocha Plant 10p	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]
[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	Tricentrol	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]
[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	Ward Hldgs. Dfd.	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]

FIXED INTEREST STOCKS

Issue Price	Amount Paid up	Latest Renunc. Date	1980 High	1980 Low	Stock
[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	Edwards (L.C.) 8% Conv. Red. Cum. Pref.
[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	Globe Inv Tst 11¼% Conv Uns Ln
[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	Hampton Cont. Gas 9% Conv. Loan
[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	Leigh Interests 10pc Conv. Uns. Ln.
[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	Mid Kent Water 9% Red Pref.
[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	Mid Southern 10% Red Pref. 1986
[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	Rk'man'h & Uxbridge Wtr.
[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	Sutton District Water 10pcRedPref.1983

"RIGHTS" OFFERS

Issue Price p	Amount Paid up	Latest Renunc. Date	1980 High	1980 Low	Stock	Closing Price p	+ or −
[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	IAGB Research	[illegible]	[illegible]
[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	Aran Energy	[illegible]	[illegible]
[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	Brent Chemicals	[illegible]	[illegible]
[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	Hammerson Prop. A	[illegible]	[illegible]
[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	Howard Tenens	[illegible]	[illegible]
[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	Pancontinental	[illegible]	[illegible]
[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	United Biscuits	[illegible]	[illegible]
[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	Watmoughs	[illegible]	[illegible]

Renunciation date usually last day for dealing free of stamp duty. [illegible]

LEADERS AND LAGGARDS

The following table shows the percentage changes † which have taken place since December 31, 1979, in the principal equity sections of the FT Actuaries Share Indices. It also contains the Gold Mines Index.

Hire Purchase	+23.21	Chemicals	+ 6.38
Electronics, Radio and TV	+21.15	Others Groups	+ 5.91
Property	+19.34	Mechanical Engineering	+ 5.84
Building Materials	+18.68	Office Equipment	+ 5.83
Overseas Traders	+16.68	Entertainment and Catering	+ 5.63
Mining Finance	+14.05	Consumer Goods (Non-Durable) Group	+ 5.56
Stores	+13.75	Breweries	+ 4.96
Insurance Brokers	+13.68	Oils	+ 3.19
Electricals	+13.41	Insurance (Composite)	+ 2.98
Consumer Goods (Durable) Group	+13.16	Discount Houses	+ 1.43
Merchant Banks	+12.95	Wines and Spirits	+ 1.34
Insurance (Life)	+12.66	Tobaccos	+ 1.33
Packaging and Paper	+12.50	Food Retailing	+ 0.45
Metal and Metal Forming	+10.91	Motors and Distributors	− 0.70
Capital Goods Group	+10.75	Food Manufacturing	− 1.42
Investment Trusts	+ 8.29	Pharmaceutical Products	− 1.98
Gold Mines F.T.	+ 8.23	Engineering Contractors	− 2.09
Newspapers and Publishing	+ 7.79	Textiles	− 3.00
Shipping	+ 7.60	Banks	− 3.74
Contracting and Construction	+ 7.53	Household Goods	− 7.68
Industrial Group	+ 7.47	Toys and Games	−31.37
Financial Group	+ 7.32		
All-Share Index	+ 7.26		
500-Share Index	+ 8.57		

† Percentage changes based on Tuesday, April 15, Indices.

UNIT TRUST SERVICE

OFFSHORE & OVERSEAS—contd.

Lloyds Bk. (C.I.) U/T Mgrs.
P.O. Box 195, St. Helier, Jersey.

Rothschild Asset Mgt. (Bermuda)
P.O. Box 664, Bk. of Bermuda Bld., Bermuda
Reserve Assets Fd. ... US$9.51 9.72 ... — ...
Prices on March 24. Next dealing April 12.

Royal Trust (C.I.) Fd. Mgt. Ltd.
P.O. Box 194, Royal Tst. Hse., Jersey. 0534 27441

TSB Gilt Fund Managers (C.I.) Ltd.
10 Wharf St., St. Helier, Jersey (CI). 0534 73494
TSB Gilt Fund ... 90.0 93.0 ... 15.05
TSBGiltFd.(Jsy.) ... 90.0 93.0 ... 15.05
Prices on April 16. Next sub. day April 23.

Tokyo Pacific Holdings N.V.

Tokyo Pacific Hldgs. (Seaboard) N.V.

هكذا من الأصل

FT UNIT TRUST INFORMATION SERVICE

AUTHORISED UNIT TRUSTS

Abbey Unit Tst. Mngrs. (a)
72-80, Gatehouse Rd., Aylesbury 0296 5941

Abbey Amer. Gth. Tst.	46.3	49.8	-0.3	2.07
Abbey Capital	[illegible]	[illegible]	+0.1	[illegible]
Abbey General	[illegible]	49.6	+0.1	[illegible]
Abbey Gilt & F.I. Tst.	102.5	109.0		[illegible]
Abbey Income	[illegible]	44.2	+0.2	[illegible]
Abbey Intl. Bd. Tst.	[illegible]	[illegible]		[illegible]
Abbey Inv. Tst. Fnd.	[illegible]	[illegible]	+0.1	[illegible]
Equitas Prog. Trust	[illegible]	74.4	+0.1	6.02

Allen Harvey & Ross Unit Tst. Mngrs.
45, Cornhill, London EC3V 3PB. 01-623 6314.

AHR Gilt. & Pref.	[illegible]	93.7		13.40

Allied Hambro Group (a) (g)
Hambro Hse., Hutton, Brentwood, Essex.
01-588 2851 or Brentwood (0277) 211459

Balanced Funds

Allied 1st	74.4	79.6		6.66
Brit. Inds. Fund	68.3	73.1		6.92
Growth & Income	41.0	[illegible]	-0.1	5.74
Elect. & Ind. Dev.	[illegible]	[illegible]	+0.1	[illegible]
Allied Capital	74.8	80.0	+0.1	5.81
Hambro Fund	116.5	124.7	+0.2	6.47
Hambro Acc. Fund	142.8	152.8	+0.2	5.89

Income Funds

High Yield Fd.	65.0	69.6	+0.2	10.92
High Income	68.5	73.3	+0.3	[illegible]
A. H. Eq. Inc.	40.3	43.1	+0.1	8.39

International Funds

International	26.8	28.7	-0.1	3.77
Pacific Fund	[illegible]	46.1	+0.1	[illegible]
Secs. Of America	55.6	59.5	-0.1	2.35

Specialist Funds

Smaller Co.'s Fd.	47.4	50.7	-0.1	4.93
2nd Smlr. Co's Fd.	[illegible]	[illegible]	+0.1	4.93
Recovery Sits.	112.0	119.0	+0.2	6.97

Discretionary Unit Fund Managers
22 Blomfield St., EC2M 7AL. 01-638 4485

Disc. Inc. April 11	192.3	205.0		6.05

E. F. Winchester Fund Mngt. Ltd.
44, Bloomsbury Square, WC1A 2RA 01-623 8893

Great Winchester	17.2	18.1		7.89
Gt. Winchester O'seas	19.9	22.0		5.01

Emson & Dudley Tst. Mngmnt. Ltd.
20b Albemarle St., W1. 01-493 3211

Emson Dudley Tst.	70.8	76.2		6.00

Equity & Law Un. Tr. M.♥ (a)(b)(c)
Amersham Rd., High Wycombe. 0494 33377

Equity & Law	72.0	75.70	+0.02	5.52

Fidelity International Management Ltd.
62-63, Queen St., London, EC4R 1AD. 01-248 4891

American	22.8	24.0		1.00
Fixed Interest	24.8	[illegible]		13.00
Growth + Income	29.3	30.9	-0.1	7.80
Special Sits.	27.9	29.4	+0.2	3.30

James Finlay Unit Trust Mngt. Ltd.
10-14, West Nile Street, Glasgow. 041-204 1321

J. Finlay Internat'l	26.7	28.1	+0.3	2.50
Accum. Units	31.7	34.1	+0.3	2.50
J. Finlay High Income	31.5	33.9	+0.4	10.46
J. Finlay Euro.Fin.	20.0	21.5	+0.6	3.93
Accum. Units	[illegible]	26.9	+0.8	3.93
J. Finlay Fd.In.Tst.	30.9	33.2	+0.9	5.68
Accum. Units	38.1	41.0	+1.1	5.68

Prices on April 16. Next dealing April 23.

Framlington Unit Mgt. Ltd. (a)
64, London Wall, EC2M 5NQ. 01-628 5181

American Apr. 14	49.2	52.2		1.40
Am. T'around Apr. 14	47.0	50.0		2.00
Capital Tst.	50.4	[illegible]		5.04
(Accum. Units)	51.4	54.8	+0.2	5.04
Extra Income Trust	47.2	50.4	+0.2	10.42
Income Tst.	36.0	38.4	+0.2	8.65
Int. Growth Fd.	40.8	43.6		2.31
(Accum. Units)	43.4	46.4		2.31

Friends' Provdt. Unit Tr. Mgrs.♥
Pixham End, Dorking. 0306 5055

Friends Prov. Units	48.6	51.9	+0.1	5.19
Do. Accum.	67.0	71.6	+0.3	5.19

Funds in Court*
Public Trustee, Kingsway, WC2. 01-405 4300

Capital Mar. 27	109.5	112.0		5.52

INSURANCE PROPERTY BONDS

OFFSHORE & OVERSEAS FUNDS

Continued on previous page

FT SHARE INFORMATION SERVICE

BRITISH FUNDS

"Shorts" (Lives up to Five Years)

1980 High	Low	Stock	Price £	+ or –	Yield Int.	Red.
97$\frac{31}{32}$	95⅞	Treasury 3½pc '77-80	97$\frac{31}{32}$	+$\frac{1}{16}$	3.57	16.14
98$\frac{7}{32}$	96	Funding 5¼pc '78-80‡‡	98$\frac{7}{32}$	+$\frac{1}{32}$	5.34	16.35
98$\frac{13}{16}$	97⅞	Exchequer 13pc 1980‡‡	98$\frac{1}{16}$	......	13.26	16.25
97$\frac{11}{16}$	96¼	Treasury 11½pc 1981‡‡	97⅝	+$\frac{1}{16}$	11.81	15.13
92¼	90¾	Treasury 3½pc 1979-81	91⅞	......	3.81	14.09
95¾	93¾	Treasury 9¾pc 1981‡‡	95¼	+$\frac{1}{16}$	10.18	14.64
93⅛	91¼	Exch. 8¼pc 1981	93⅛	+$\frac{1}{16}$	8.85	14.86
94	92¼	Exch. 9½pc 1981	94	+$\frac{1}{16}$	10.10	14.67
89¼	85½	Exch. 3pc 1981	89⅝	......	3.35	11.52
97$\frac{11}{16}$	96½	Treas. Variable '81§§	97$\frac{7}{16}$xd	+$\frac{1}{16}$	16.43	18.50
97$\frac{5}{16}$	95$\frac{3}{16}$	Exch. 12¾pc 1981‡‡	97$\frac{5}{16}$xd	+$\frac{11}{16}$	13.10	14.74
90$\frac{11}{16}$	88½	Treas. 8½pc '80-82‡‡	90½	+¼	9.39	14.79
86¼	82½	Treasury 3pc '82‡‡	86⅝	+¼	3.46	11.25
99$\frac{7}{16}$	96⅝	Treasury 14pc '82‡‡	99$\frac{7}{16}$	+$\frac{3}{16}$	14.07	14.31
95¾	94¼	Treas. Variable '82§§	95$\frac{9}{16}$	+$\frac{3}{16}$	17.52	19.41
88⅞	86⅛	Treasury 8¼pc '82	88¼	+¼	9.29	14.31
89⅝	86¼	Exch. 9¼pc 1982	89¼	+¼	10.36	14.62
[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]

Five to Fifteen Years

1980 High	Low	Stock	Price £	+ or –	Yield Int.	Red.
[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]

Over Fifteen Years

1980 High	Low	Stock	Price £	+ or –	Yield Int.	Red.
[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]
—	—	Tr. 13½pc '04-08(£20pd)●	£95	......	14.21	14.23
50⅛	42⅞	Treasury 5½pc '08-12‡‡	46⅜	+⅜	12.00	12.31
63½	57½	Treasury 7¾pc '12-15‡‡	62¾	+½	12.70	12.80
93⅞	85⅛	Exch. 12pc '13-'17	92⅜	+¼	13.60	13.60

Undated

1980 High	Low	Stock	Price £	+ or –	Yield Int.	Red.
31⅞	29	Consols 4pc	31½	+⅛	13.04	—
33¾	28⅞	War Loan 3½pc‡‡	31½	+⅛	11.60	—
37¾	32¼	Conv. 3½pc '61 Aft.	34¼	+⅛	10.30	—
25⅛	21⅝	Treasury 3pc 66 Aft.	22⅞	......	13.17	—
22¼	19½	Consols 2½pc	20½	–¼	12.24	—
20⅞	17⅞	Treasury 2½pc	19⅜	–⅛	12.98	—

INTERNATIONAL BANK

1980 High	Low	Stock	Price £	+ or –	Yield Int.	Red.
86	78	5pc Stock '77-82	84¾	......	5.91	12.73

CORPORATION LOANS

1980 High	Low	Stock	Price £	+ or –	Yield Int.	Red.
89½	83⅝	Bath 11¼pc 1985	87½xd	......	12.78	14.47
97½	89½	Birm'ham 12½pc 1985	97¼	......	13.49	14.58
98½	96¾	Bristol 13¾pc 1981	97¾	......	14.07	16.49
97¼	90	Burnley 13pc 1987	97	......	14.10	14.79
89½	82¾	Cardiff 11pc 1986	85¼xd	......	12.86	14.50
95	93	G.L.C. 12½pc '82	94¾	......	13.19	15.49
93¾	90¼	Do. 12½pc 1983	93¼	......	13.41	15.14
87½	84¾	Glasgow 9¼pc '80-82	87¼	......	10.60	15.40
71	64½	Herts 6¾pc 1985-87	70½	......	9.76	13.53
84½	81¼	Liverpool 9¼pc '80-84	84½	......	11.53	14.93
27	24	Do. 3½pc Irred.	25½	......	14.04	—
95¼	92⅞	Lon. Corp. 13¼pc '83	94¾	......	13.99	15.18
86½	79¾	Do. 9¼pc '84-85	81¾	–¼	11.36	14.25
73	71	L.C.C. 5½pc '82-84	73	......	7.50	14.14
66	60½	Do. 5½pc '85-87	65½	–¼	8.64	13.60
66	60¾	Do 6¾pc '88-90	65¾	–¼	10.63	13.40
23¾	21	Do. 3pc '20 Aft.	22¼	......	13.95	—
96⅞	95⅝	Newcastle 9¼pc '78-80	96⅞	......	9.55	17.29
90¾	87¾	Sunderland 12¼pc 1984	90¾	......	13.49	15.02

COMMONWEALTH & AFRICAN LOANS

1980 High	Low	Stock	Price £	+ or –	Yield Int.	Red.
85¾	82¼	Aust. 5½pc '81-82	85	......	6.48	14.69
78¼	76	Do. 6pc 1981-83	78¼	......	7.83	14.54
62¾	58	N.Z. 7¼pc 1988-92	62¾	......	11.94	14.07
76½	72	Do. 7½pc '83-86	76½	......	10.13	13.89
92¼	88	Sth. Africa 9½pc '79-81	89xd	......	10.63	17.56
144	107	Sth. Rhod. 2½pc '65-70	142	......	—	—
150	133	Do. 6pc '78-81	150	......	—	—

LOANS

Public Board and Ind.

1980 High	Low	Stock	Price £	+ or –	Yield Int.	Red.
60	56½	Agric. Mt. 5pc '59-89	59¾	......	8.57	12.84
70	73½	Alcan 10½pc '89-94	78	......	13.81	14.60
28½	25	Met. Wtr. 3pc 'B'	26½	......	11.47	13.47
102	89	U.S.M.C. 9pc 1982	93	......	10.07	—
88¾	85½	Do. without Warrants	88½	......	10.60	17.10

LOANS—Continued

Financial

1980 High	Low	Stock	Price £	+ or –	Yield Int.	Red.
98½	96½	FFI 13pc 1981	97½	......	13.33	16.34
96¾	93½	Do. 14pc '83	95¾	......	14.62	15.51
84½	79½	ICFC 5½pc Deb. '80-82	82½	......	6.69	14.40
74½	71½	Do. 6¼pcDb. '81-84	72xd	......	8.68	14.90
87	80½	Do. 10½pc Uns.Ln. '86	87	+½	12.51	14.70
86½	77	Do. 11pc Uns.Ln. '88	86½	+½	13.21	14.20
88	82	Do. 11¾pc Uns.Ln. '90	88	......	13.89	14.80
61	56	Do. 7¾pcADeb. '89-92	60	......	12.73	14.80
61	51½	Do. 7¼pcA Db. '91-94	56½	+½	13.02	14.70
72	64½	Do. 9pc'A' '91-94	67	......	13.84	15.00
65½	61	Do. 8¾pcLn. '92-97	64	–½	14.31	15.00
95	84½	Do. 12pc. Uns. Ln. 1992	88½	+½	14.29	14.70

FOREIGN BONDS & RAILS

1980 High	Low	Stock	Price £	+ or –	Div. % Gross	Red. Yield
57	43	Antofagasta Rly.	55	......	—	—
50	50	Do. 5pc Pref.	50	......	—	—
98	98	Chilean Mixed	98	......	—	3.39
58	45	Chinese 4½pc 1898	45	......	—	—
45	38	Do. 5pc 1912	38	......	—	—
24	18	Do. 5pc 1913	18	......	—	—
22½	17½	Do. 5pc 1925 Boxer	22½	+½	—	—
430	425	German Yng. 4½pc.	430	......	4½	—
35	32	Greek 7pc Ass.	32	......	3½	11.41
35	31	Do 6pc 28 Stab. Ass.	31	......	6	9.68
[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]

AMERICANS

1980 High	Low	Stock	£	+ or –	Div. Gross	C'vr	Y'ld Gr's
[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]

CANADIANS

1980 High	Low	Stock	£	+ or –	Div. Gross	C'vr	Y'ld Gr's
[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]
740p	570p	Hawker Sid. Can.‖	605p	–5	96c	—	6.0
19⅝	12¾	Hollinger $5	14⅝	–⅛	s$2.20	—	5.8
478	925p	Hudson's Bay ‖	955p	......	♦$1.20	—	4.7
57	36⅞	Hud. B. Oil G. $2½	44½	–1¼	$2.30	—	2.8
21⅞	15	Imperial Oil‖	16½	–⅝	$1.40	—	3.2
14½	10¼	Inco	10⅝	–⅜	72c	—	2.6
565p	425p	Int. Nat. Gas $1	500p	+25	90c	—	6.8
495p	360p	Massey Ferg.‖	360p	–10	—	—	—
200p	100p	Place Gas $1	135p	–5	—	—	—
14$\frac{7}{8}$	10$\frac{13}{16}$	Rio Algom	11$\frac{1}{16}$	......	$1.50	—	5.1
17$\frac{7}{16}$	14⅝	Royal Bk. Can. $2.	15¼	–$\frac{1}{16}$	$2.40	—	6.0
25½	15$\frac{7}{16}$	Seagram Co. C$1	24$\frac{13}{16}$	+⅝	$US1.10	—	2.0
11⅛	890p	Tor. Dom. Bk. $1.	955p	–15	$1.36	—	5.4
10½	815p	Trans Can. Pipe	850p	......	$1.16	—	5.2

BANKS AND HIRE PURCHASE

1980 High	Low	Stock	Price	+ or –	Div. Net	C'vr	Y'ld Gr's	P/E
244	202	ANZ $A1	210	......	Q22c	3.7	5.4	5.1
218	183	Alexanders D. £1	213	......	16.0	—	10.7	—
£76½	£56	Algemene Fl.100	£64½	......	Q25%	♦	8.1	♦
345	290	Allen Harvey £1	325	......	21.5	—	9.4	—
128	108	Allied Irish	112	......	hQ8.09	—	7.0	—
16¼	13	Ansbacher (H.) 5p.	13¼	+¼	—	—	—	—
226	180	Arbuthnot L. £1	226	......	†10.42	—	9.3	—
360	320	Bk. Ireland £1	330	......	Q25.0	—	7.3	—
£162	£146	Do. 10pc Conv.	£152	......	Q10%	—	†6.6	—

BANKS & HP—Continued

Hire Purchase, etc.

BEERS, WINES AND SPIRITS

BUILDING INDUSTRY, TIMBER AND ROADS

CHEMICALS, PLASTICS

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1980 High	Low	Stock	Price	+ or –	Div. Net	C'vr	Y'ld Gr's	P/E
[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]

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Central African

1980 High	Low	Stock	Price	+ or −	Div. Net	C'vr	Y'ld Gr's
430	275	Coronation	310	......	†Q54c	2.2	10.0
680	520	Falcon Rh.50c	610	......	†Q100c	1.7	11.3
47	34	Rhod'n Corp. 16½p	37	......	0.56	8.5	2.2
267	160	Roan Cons. K4	180	+10	†Q0.12	ϕ	4.2
65	54	Wankie Col. Rh.1	56xd	......	†Q9c	1.5	11.1
54	28	Zam.Cp. SBD0.24	29	−2	—	—	—

Australian

1980 High	Low	Stock	Price	+ or −	Div. Net	C'vr	Y'ld Gr's
25	21	Acmex 50c	23	......	—	—	—
24	12	ACM 20c	13	......	—	—	—
115	70	Bond Corp.	70	......	Q3.75	2.2	2.7
234	132	Bougainville 50 Toea	165	......	sQ39½c	ϕ	12.8
265	195	BH South 50c	200	......	♦—	—	—
25	11½	Canada Northwest	14½	+½	—	—	—
42	8	Carr Boyd 20c	22	......	—	—	—
£26	£15¼	Central Pacific	£19	......	—	—	—
356	230	Conzinc Riotinto 50c.	244	−2	Q15c	2.1	3.2
39	17	Cultus Pacific N.L.	32	+2	—	—	—
50	20	Eagle Corp. 10c	26	......	—	—	—
26¼	15¼	Endeavour 20c	17	+½	—	—	—
258	175	G. M. Kalgoorlie 25c	206	+2	†Q3c	—	0.8
46	15	Great Eastern	32	+3	—	—	—
372	260	Hamptn Areas 5p	320	......	3.5	2.8	1.6
45	30	Haoma Gold N.L.	40	......	—	—	—
72	41	Metals Ex. 50c	59	......	—	—	—
312	194	M.I.M. Hldgs. 50c	202	−4	†Q16.1c	1.8	4.1
40	18½	Minefields Expl.	40	......	—	—	—
155	60	Mount Lyell 25c	70	−2	—	—	—
28	15	Newmetal 20c	15	......	—	—	—
35	12	Nickelore N.L.	13½	......	—	—	—
207	138	North B. Hill 50c.	141	−3	†Q12c	1.4	4.4
80	44½	Nth. Kalgurli	64	+4	—	—	—
165	90	Nth. Mining Corp.	110	+2	—	—	—
43	24	N. West Mining N.L.	38	......	—	—	—
235	158	Oakbridge $A1	162	......	Q12c	4.7	3.8
122	70	Otter Ex. N. L.	70	−2	—	—	—
230	128	Pacific Copper	180	−10	—	—	—
465	265	Pancont'l 25c	265	−5	—	—	—
78	43	Paringa M&Ex 5p	43	......	—	—	—
495	345	Peko-Wallsend 50c.	345	−10	†Q17.5c	ϕ	2.6
230	140	Seltrust A	150	−8	—	—	—
£10¼	575	Southern Pacific	700	......	—	—	—
75	31	Swan Resources 20c.	43	......	—	—	—
13	9½	West Coast 25c	9½	−½	—	—	—
264	177	Westn. Mining 50c.	193	−2	†Q7c	1.6	2.0
30	10	Westmex	13	......	—	—	—
96	56	Whim Creek 20c	92	+2	—	—	—
24	10½	York Resources	13	......	—	—	—

Tins

1980 High	Low	Stock	Price	+ or −	Div. Net	C'vr	Y'ld Gr's
25	16	Amal Nigeria 1p	16	−1	16.0	1.9	53.6
345	265	Ayer Hitam SM1.	270	......	‡Q290c	0.9	‡
67	48	Beralt Tin	49	......	4.5	ϕ	13.1
185	149½	Berjuntai SM1	160	......	‡Q95c	1.0	‡
230	153	Geevor	205	......	8.71	3.1	6.1
11	10	Gold & Base 12½p	10	......	—	—	—
365	310	Gopeng Cons.	325	......	†25.0	1.8	11.2
310	280	Hongkong	300	......	35.87	ϕ	17.1
105	90	Idris 10p	98	......	28.0	ϕ	11.7
15	14	Jantar 12½p	14	......	—	—	—
77	64	Kamunting $M0.50.	67	......	Q47½c	1.1	15.9
320	300	Killinghall SM1	320xd	......	Q100c	ϕ	6.4
670	485	Malay Dredging SM1	580xd	......	♦Q185c	2.6	5.7
33	26	Pahang	28	......	0.44	0.3	2.3
108	92	Pengkalen 10p	92	......	6.0	1.3	9.3
290	230	Petaling SM1	260	......	Q150c	1.4	11.7
70	57	Saint Piran	60	......	‡ϕ2.5	6.4	‡
44	30	South Crofty 10p.	31	......	‡3.0	2.0	‡
255	180	South Kinta SM0.50.	200	......	Q150c	1.0	15.3
400	340	Sthn Malayan SM1.	370xd	......	†Q175c	2.1	9.6
295	215	Sungei Besi SM1.	255	−5	†Q520c	1.8	41.5
39	22½	Supreme Corp. SM1.	35		9.74	hQ8c	—
100	95	Tanjong 15p	95	......	7.4.5	ϕ	6.8
95	80	Tongkah H. Tin	80	......	Q45c	1.3	12.6
275	220	Tronoh SM1	225	......	†Q25c	5.2	2.3

Copper

1980 High	Low	Stock	Price	+ or −	Div. Net	C'vr	Y'ld Gr's
235	130	Messina R0.50	194	+4	Q10c	ϕ	3.0

Miscellaneous

1980 High	Low	Stock	Price	+ or −	Div. Net	C'vr	Y'ld Gr's
160	78½	Anglo-Dominion	146	......	—	—	—
97	58	Barymin	72	−½	—	—	—
15	12	Burma Mines 17½p	14xd	......	0.62	ϕ	6.4
502	330	Cons. Murch. 10c.	360	−20	hQ100c	1.8	15.9
585	325	Northgate C$1	370	−10	—	—	—
485	327	R.T.Z.	380	+17	15.0	ϕ	5.8
33	16	Robert Mines	31	......	—	—	—
58	27	Sabina Inds. C$1.	35	+½	—	—	—
650	485	Tara Exptn. $1	490	......	—	—	—

NOTES

Unless otherwise indicated, prices and net dividends are in pence and denominations are 25p. Estimated price/earnings ratios and covers are based on latest annual reports and accounts and, where possible, are updated on half-yearly figures. P/Es are calculated on "net" distribution basis, earnings per share being computed on profit after taxation and unrelieved ACT where applicable; bracketed figures indicate 10 per cent or more difference if calculated on "nil" distribution. Covers are based on "maximum" distribution; this compares gross dividend costs to profit after taxation, excluding exceptional profits/losses but including estimated extent of offsettable ACT. Yields are based on middle prices, are gross, adjusted to ACT of 30 per cent and allow for value of declared distribution and rights.

- "Tap Stock.
- * Highs and Lows marked thus have been adjusted to allow for rights issues for cash.
- † Interim since increased or resumed.
- ‡ Interim since reduced, passed or deferred.
- ‡‡ Tax-free to non-residents on application.
- ϕ Figures or report awaited.
- †† Unlisted security.
- ¢ Price at time of suspension.
- ¶ Indicated dividend after pending scrip and/or rights issue; cover relates to previous dividends or forecasts.
- ♦ Merger bid or reorganisation in progress.
- ♣ Not comparable.
- ♠ Same interim; reduced final and/or reduced earnings indicated.
- § Forecast dividend; cover on earnings updated by latest interim statement.
- ‡ Cover allows for conversion of shares not now ranking for dividends or ranking only for restricted dividend.
- ★ Cover does not allow for shares which may also rank for dividend at a future date. No P/E ratio usually provided.
- ♥ Excluding a final dividend declaration.
- ☆ Regional price.
- ‖ No par value.

‡‡ Yield based on assumption Treasury Bill Rate stays unchanged until maturity of stock. a Tax free. b Figures based on prospectus or other official estimate. c Cents. d Dividend rate paid or payable on part of capital; cover based on dividend on full capital. e Redemption yield. f Flat yield. g Assumed dividend and yield. h Assumed dividend and yield after scrip issue. j Payment from capital sources. k Kenya. m Interim higher than previous total. n Rights issue pending. q Earnings based on preliminary figures. s Dividend and yield exclude a special payment. t Indicated dividend: cover relates to previous dividend, P/E ratio based on latest annual earnings. u Forecast dividend: cover based on previous year's earnings. v Tax free up to 30p in the £. w Yield allows for currency clause. y Dividend and yield based on merger terms. z Dividend and yield include a special payment: Cover does not apply to special payment. A Net dividend and yield. B Preference dividend passed or deferred. C Canadian. E Minimum tender price. F Dividend and yield based on prospectus or other official estimates for 1979-80. G Assumed dividend and yield after pending scrip and/or rights issue. H Dividend and yield based on prospectus or other official estimates for 1980-81. K Figures based on prospectus or other official estimates for 1979-80. M Dividend and yield based on prospectus or other official estimates for 1980. N Dividend and yield based on prospectus or other official estimates for 1979. P Figures based on prospectus or other official estimates for 1978-79. Q Gross. T Figures assumed. Z Dividend total to date.

Abbreviations: xd ex dividend; xc ex scrip issue; xr ex rights; xa ex all; xR ex capital distribution.

REGIONAL MARKETS

The following is a selection of London quotations of shares previously listed only in regional markets. Prices of Irish issues, most of which are not officially listed in London, are as quoted on the Irish exchange.

Stock	Price	+ or −	IRISH	Price	+ or −
Albany Inv. 20p	28	......			
Bertam	32	......	Conv. 9% '80/82	£96	......
Bdg'wtr. Est. 50p	370	+5	Nat. 9¾% 84/89	£71¼	......
Clover Croft	60	......	Fin. 13% 97/02	£78¾	......
Craig & Rose £1	£10½	......	Alliance Gas	90	−9
Fife Forge	37	......	Arnott	360	+10
Finlay Pkg. 5p	20	......	Carroll (P.J.)	50	......
Graig Ship. £1	£11¾	−¼	Clondalkin	105	......
Higsons Brew	75	......	Concrete Prods.	77½	......
Holt (Jos) 25p	255	......	Heiton (Hldgs.)	33	......
I.O.M. Stm. £1	165	......	Ins. Corp.	258	......
Pearce (C. H.)	385	......	Irish Ropes	60	−20
Peel Mills	39	......	Jacob	34	......
Sheff. Refrshmt	99	......	T.M.G.	140	−2
Sindall (Wm.)	155	−10	Unidare	103	+1

OPTIONS

3-month Call Rates

Industrials					
A. Brew	0	I.C.I.	32	Utd. Drapery	9
BOC Intl.	6	"Imps"	7	Vickers	14
B.S.R.	5	I.C.L.	45	Woolworths	6½
Babcock	12	Inveresk	5	**Property**	
Barclays Bank	30	Ladbroke	15	Brit. Land	7
Beecham	13	Legal & Gen.	14	Cap. Counties	9
Blue Circle	25	Lex Service	16	Land Secs.	25
Boots	17	Lloyds Bank	24	MEPC	17
Bowaters	16	"Lofs"	3½	Peachey	13
B.A.T.	25	London Brick	6	Samuel Props.	12
Brown (J.)	7	Lucas Inds.	20	Town & City	2
Burton 'A'	22	"Mams"	14	**Oils**	
Cadburys	5½	Mrks. & Spncr	9	Brit. Petroleum	38
Courtaulds	8	Midland Bank	30	Burmah Oil	20
Debenhams	8	N.E.I.	5	Charterhall	12
Distillers	21	Nat. West. Bank	32	KCA	11
Dunlop	5½	P & O Dfd.	9	Premier	12
Eagle Star	14	Plessey	16	Shell	35
F.N.F.C.	2½	Racal Elect.	20	Tricentrol	35
Gen. Accident	21	R.H.M.	4½	Ultramar	50
Gen. Electric	30	Rank Org.	18		
Glaxo	40	Reed Intnl.	17		
Grand Met	12	Sears	5½	**Mines**	
G.U.S. 'A'	30	Tesco	7		
Guardian	23	Thorn	25	Charter Cons.	18
G.K.N.	22	Trust Houses	14	Cons. Gold	52
Hawker Sidd	16	Tube Invest.	27	Lonrho	12
House of Fraser	12	Unilever	40	Rio T. Zinc	35
		U.D.T.	4		

A selection of Options traded is given on the London Stock Exchange Report page

"Recent Issues" and "Rights" Page 40

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FINANCIAL TIMES
Thursday April 17 1980

EEC in Iran sanctions move

BY WALTER ELLIS IN STRASBOURG

THE European Commission is expected ot produce firm proposals within the next five days for the imposition of EEC trade sanctions against Iran. The proposals would then be considered by the Council of Ministers, meeting in Luxembourg next Tuesday.

The Commission bas agreed that powers to establish sanctions exist under Article 113 of the Treaty of Rome, which governs Community affairs. The article covers common commercial policy and deals with the regulation of trade

Mr. Roy Jenkins, President of the Commission, has clearly placed a rather liberal interpretation on the article.

Under another article of the treaty, Article 224, Member States can alter trading arrangement during times of international tension or to carry out obligations they bave accepted "for the purpose of maintaining peace and international security." The Commission feels, however, that this is a matter outside its competence and that any proposal It makes would bave to be on the basis of Article 113.

The Commission'a officiala stress that any proposals for sanctions would have to take account of the facts that many Europeans live and work in Iran, and that contracts placed by the Tehran Government with European companies are worth hundreds of millions of pounds. There are, for example, about 1,800 Italian citizens in Iran.

The possible wording of the proposal Is to be discussed by the Commission here today, but the formal drafting is likely to be left until just before next Tuesday's Council meeting.

The extent of Europe'a dependence on Iranian oil imports bas been analysed by Commission officials. Their findings will be taken into acconnt by tba Council.

Last year, the Community imported an average of 656,000 b/d of Iranian oil. Last month, this declined to 300,000 b/d. The signs are that the process of buying elsewhere will continne even without sanctions.

In the European Parliament yesterday, Signor Emilio Colombo, the new Italian Foreign Minister and current Ministers, said the continued President of the Council of holding of the U.S. hostages in Tehran was totally unacceptable and a violation of international law.

Ha expressed the Community's "full solidarity with the American people and Government," and said that the Member States woul continne to speak firmly to the Iranian authorities in an attempt to resolve the crisis. He did not mention possible use of sanctions.

The Parliament will debate the Iran crisis today. A number of resolutions bave been put forward, calling for sanctions and the breaking of diplomatic relations with Iran.

Brezhnev seeks talks with Schmidt

By Jonathan Carr in Bonn

MR. LEONID BREZHNEV, the Soviet leader, has proposed a meeting with Mr. Helmut Schmidt, tha West German Chancellor, in the early summer. Tha Germans are consulting with their allies before deciding whather to accept.

The proposal comes as Bonn prepares to recommend West German atbletes not to taka part in the Olympic Games in Moscow. It puts the Government in a dilemma.

Bonn has constantly stressed tbat diplomatic contacts with tha East must not be halted — especially in times of tension—and has daplored the fact that the superpowers have not been in close enough contact with one another.

Yet the Government wants to avoid any sign that it is either breaking ranks with its Western partners or trying to act as a mediator between Washington and Moscow. The present consultations — with the U.S. in particular — are aimed at ensuring this does not bappen.

The West Germans are looking for a firm sign from the Soviet Union that there is a serious disposition in Moscow to talk about Afghanistan and East-West arms control if Mr. Schmidt's visit goes ahead.

Government spokesmen bave not disclosed wben the Soviet Ambassador to Bonn, Mr. Vladimir Semyonov, delivered the suggestion of a summer meeting to the Chancellor. But they confirm that it was before a speech last wekend, in which Mr. Schmidt nrged Moscow to make a gesture to break the deadlock on arms control.

Mr. Schmidt then indicated that even if Moscow was not prepared to stop producing intermediate range nnclear missiles which could reach the whole of Europe, it could at least stop physically deploying them to belp negotiations with the West get off the gronnd.

This pesage of Herr Schmidt's speech bas since ben criticised by the polltical opposition as undermining NATO's decision las December on producion end deploymen of is own missles, while seekig negotatons wth the East.

The Government says the Chancellor bolds fast to the NATO decsion—but was urging the Russians to make a positive initial signal, even if only a small one. There bas been no sucb sign from Moscow.

THE LEX COLUMN

Rio Tinto's rich profits seam

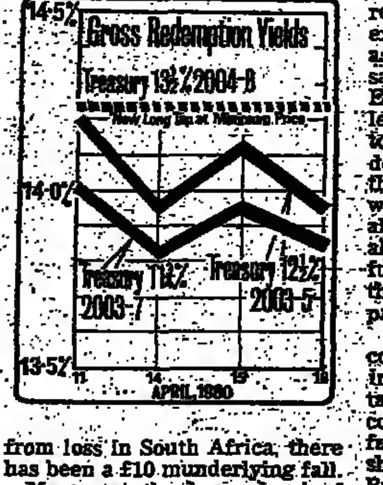
RTZ bas done even better tban expected in 1979, with attributable profits up from £102.3m to £149.8m. It was already clear fro mthe published figures of the quoted subsidiaries that bigher metal prices were going to have a substantial impact on group earnings. In the event, the contribution from coppar and gold at the attributable level has risen from 15.3 to over 20 per cent, while the sbare from lead and zinc is about double 1978's 7.1 per cent.

But this was all discounted. What belped to push the shares up 17p to 280p yesterday was a surprisingly good performance from some of RTZ's other businesses. Borax has roughly maintained its contribution at around £30m, with the help of better demand for cellulose insulation in the U.S. RTZ Industries bas increased sales and earnings by around a quarter to well over £20m, and its extrusion activities bave done particularly well in the UK. Then there is the Rossing uranium mine, which bas evidently made a much biggar mark than it did in 1978, when it brought in around £2m. No figures are available, but this development has clearly become a significant contributor to group earnings.

The dividend increase is less dramatic, at 30 per cent. But this is still a record figure in real terms — nnlike the earnings total —, and RTZ has to balance the current needs of its shareholders against the bothersome cost of unrelieved advance corporation tax. The payment is well covered, again in real terms, and gives a yield of 5.8 per cent.

Buoyant metal prices point to s strong first-quarter in 1980, and even now copper prices are still up to last year's average level. Further ahead, though, there are obvious uncertainties about commodity prices.

Index rose 5.3 to 443.1



Hawker Siddeley

Hawker Siddeley has had as rough a ride as any major engineering company in the UK in 1979, and its profits, down from £118m to £107.8m pre-tax, would bave been far worse but for excellent performances overseas, especially in Canada. In the UK industrial diesel businesses, trading profits bave fallen by £23m after the impact of redundancy costs and the loss of markets in Iran, Iraq, and Nigeria. The electrical engineering side sbows trading profits up £4.5m at £42.5m, but without a first-time contribution from Westinghouse, a full year of Carlton, and a £3m recovery from loss in South Africa, there has been a £10 munderlying fall.

Moreover, the lower level of profits at a time of rising capital spending has meant that not only acquisitions are absorbing Hawker's pile of cash. Partly because of heavy working capital needs in connection with a Canadian railway contract, there has been a £30m cash deficit from trading. After tha purchase of Fasco for $100m and the sale of the stake in Bendix Westinghouse, net cash at present is probably around £40m; if all goes well, the existing business should not absorb much of this during 1980.

The gloomiest point of all is the drop in current cost earnings from £42m to £18.6m, where they barely cover a dividend raised from 7.5p to 8p net. This year Hawker should see a fair amount of recovery. If it is spared disruption—certainly the diesel side should have bottomed—but the order book is down in real terms and the new acquisitions are nnlikely to cover their finance costs. With all its very considerable strength, Hawker will do well to get back to 1978 levels of profit on which the p/e on a 30 per cent tax charge is 5 at 184p. The yield is 6.4 per cent.

Burmah Oil

Burmah Oil caught the market by surprise with a 5p final dividend to accompany the more or less expected dramatic improvement in profitability. The sbare price ran up 7p to 222p to yield a little over 4 per cent—a respectable enough introdnctory level after its five year absence from the dividend list. The peyout is probably ronghly covered in current cost terms.

The jump in pre-tax profits from £17.1m to £67.3m is due largelyto turnrounds in downstream oil marketing and the shipping operation. In shipping a loss of £22.9m has been reduced to £8.5m, which an exceptional £18m contribution as a result of charter compensation turns into a profit. The Ellesmere Port refining problems have been solved, helping to turn the £8m or so loss on downmarket oil operations into the equivalent profit. Elsewhere Thistle has produced about £18m, compared with about £5m, while there has been further growth at Castrol and the automotive and industrial products operations.

Events are not going the company's way with so smoothly in the current year. With tanker rates at present below costs, there will be little farther improvement in the shipping operation, although Burmah's exposure is effectively limited to one supertanker and a gas carrier. While the Thistle contribution should double, there is likely to be some squeezing of downstream oil margins. So profits this year are unlikely to go much above £75m. The market capitalisation is £320m, which suggests that great things are expected for the company in the forthcoming North Sea licensing round.

Gilt-edged

By the time the gilt-edged market closed last night, it looked almost inconceivable that the new long-dated stock, Treasury 13¾ per cent 2004-08, would ever get unto the Government Broker's books as a tap. A U.S. prime rate cut and heavy buying of dollar bonds put an already firm gilt-edged market up strongly in the last hours of trading, and the two questions occupying investors' minds were the price at which they should tender for the stock, and how to avoid pickets, if any, at the back door of the Bank of England.

The new issue looks anything between 1 and 1½ points cheap at its minimum price, depending on whether you consider a premium is justified for its combination of high coupon and very long maturity. If it is duly oversubscribed at well above the minimum price the market will have swallowed over £2.5bn nominal of stock in just over two weeks; the danger, then will be that, even if domestic institutions are still enthusiastic about gilt-edged, the market will be increasingly reliant on foreign buyers for the marginal liquidity needed to keep it firm.

Japanese 'in Thorn video deal'

By Richard C. Henson in Tokyo

VICTOR COMPANY of Japan, a subsidiary of the large Matsushita Electric Industrial Company, is believed to have reached an agreement with Thorn EMI in the UK on the first big Japanese step in introducing a bome video disc system in Europe.

The Victor system will compete directly with disc machines being tested in the U.S. by Philips and RCA.

In wbat seems likely to be a major marketing battle, industry officials believe the video disc system could rival the success of bome video tape-recorders by the middle of this decade.

A formal announcement of Victor's intentions with Thorn, which acquired EMI last year, will be made today in Tokyo and London. Both companies refused to comment yesterday on the details of the agreement.

Victor is considering acquisition of the television interests of Decca, recently taken over by Racal. The former Decca TV works might form a manufacturing base for videotape recorders or video disc systems, as well as television sets, for Victor.

It is logical for Thorn EMI to become interested in the disc developed by Victor.

Thorn has been the most successful marketer in the UK of tbe Victor-built bome video tape recorders, the VHS video tape system which Victor introduced four years ago to compete with Sony's Betamax recorder.

Perhaps even more important is the fact that, with EMI, Thorn can produce the dieses used in the Victor system.

Victor claims that almost any record-pressing company will be able to prodnce its disc, a crucial point in competing with the Philips system.

Britain on road to 4.4m unemployed, says Godley

BY PETER RIDDELL, ECONOMICS CORRESPONDENT

UNEMPLOYMENT WILL rise sharply and output will decline steadily over tba next few years unless very bigh import tariffs are imposed and the pound is devalued, the Cambridge Economic Policy Gronp argues today.

The group, a dozen Cambridge economists headed by Mr. Wynne Godley, bas attracted attention in recent years as a critic of strict monetary control ad an advocate of protection.

As such, it bas gained influence within certain sections of the Labour Party, although its views bave been attacked by many otber economists.

Today's annual Cambridge Economic Policy Review, the gloomiest in its six-year bistory, compares projections of what will happen if current policles are continued, if the pound is devalued sharply and if, in addition, import tariffs are imposed.

The group argues that there will be "a recession without parallel since the 1930s" if present policies are maintained because of the impact of a rising pound and in view of the emphasis on tight monetary policy.

Consequently, total output is projected to drop by 12 per cent between 1979 and 1985 wbile unemployment is expected to rise from last year's 1.3m to 4.4m in 1985.

The Cambridge projections suggest, however, that tight monetary policy will succeed in cutting the annual rate of consumer price inflation from 19 per cent this year to less than 8 per cent in 1985 wbile real wages and consumer spending will increase steadily.

The group says that with a sbarp devaluation and a two-year incomes policy, then by 1983 the current fall in output could have been recouped, although unemplayment wonld still rise sharply, to 3.6m in 1985, and inflation would be high.

A package of devaluation, import tariffs and expansionary fiscal policy provides the only bope for economic recovery, the economists say.

The suggested tariffs would initially be 30 per cent for finished manufactured goods, rising to 72 per cent by 1990.

On tbis basis, it sbould be possible to restore 1979 levels of spending and output by tha en dof 1981 with unemplayment of 2.1m then, and to maintain a rate of economic growth averaging 3 to 4 per eent annually thereafter.

The rate of consumer price inflation wonld remain high, though fluctuating, and would be over 20 per cent in 1985.

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Schlesinger sells Trident group

BY ERIC SHORT

GENERAL REINSURANCE Corporation, the largest reinsurance group in the U.S. and one of the largest in the world, is making its first move into the diract insurance sector by acquiring the UK-based Trident Insurance Group and its related companies from the Schlesinger Group. The price is believed to be well over £10m.

Trident was acquired by SEI, a member of the Schlesinger Group, in 1972 from Shipping and Industrial Holdings for £3m. The life then bad funds of about £10m, and the general insurance company had an annual premium income of between £2m-£3m.

The life company bas since grown. It now manages funds of £85m with more than 100,000 policybolders, specialising in unit-linked individual life contracts and in personal and executive pension business. The general insurance company has specialised in fire, business interruption, machinery and construction risks, operating only in tbe commercial and industrial insurance fields. Its premium income is almost £9m a year and shows underwriting profits of between £750,000 and £1m.

This growth bas been financed by retained funds. The amounts paid in dividends by both life and general companies to SEI bave been minimal. Last year, the life company paid £200,000 and the general company £100,000 in dividends.

The group owns a related company, Beaufort Computer Services, which offers a wided range of compnter services, primarily to the insurance industry. Its client list includes 19 insurance companies, and its pre-tax profits are about £150,000.

Other approacbes bave previously been made for the Trident Group, and serious discussions were beld with the U.S. insurance conglomerate INA. But Mr. Manfred Gorvy, the chief executive of SEI, said the offer from General Reinsurance was very generous.

Bankers meet on Chrysler rescue plan

BY IAN HARGREAVES IN NEW YORK

MORE THAN 200 bankers met in Detroit yesterday amid indications from major U.S. lenders that they bad decided to assist the troubled Chryler Car Company by restructuring its debt, relieving it of some interest payments and lowering rates on other loans.

As they got together for wbat seemed the final conclave in the banks' part in rescuing Chrysler, the bankers were in possession of final details of the company's recovery proposals.

Copies of the proposal bave been mailed to about 300 banks and financial institutions for final signature, and a copy of the financial plan is on its way to tba U.S. Government.

It will then be np to the Government to decide whether the banks' contribution is acceptable.

Congress asked the banks to provide $650m, of which $400m was expected to be in new credits, as part of the $2bn Chrysler bas to raise from lenders and others to qualify for Government loan guarantees.

The company already has commitments from employees, state governments and others for over balf the $2bn.

Apart from assessment of the package in Washington, bankers say there are other potential stumbling blocks.

One is the legal action by Banque Bruxelles Lambert to recover $10m owed it by Chryslar. Other foreign banks have made clear that they will follow if the Belgian bank is allowed to pull out.

According to hanking executives Banque Bruxelles bas come under strong pressure from the U.S. Government to move back from the suit. The bank itself would make no comment yesterday.

There is also still some uncertainty about the position of the Japanese banks, which have been heavily involved in financing Chrysler's imports of Japanese cars.

The problem for the Government is how flexible it can be in interpreting the Chrysler aid Act. Bankers admit privately that much window-dressing has been necessary to present their agreed concessions as a $650m contribution, as required by the Act.

The figure depends, for example, on assumptions about future interest rates.

It also seems likely that Chrysler will not be able to meet the Act's target of raising $300 mln asset sales because of the recent collapse of its talks with household finance for the sala of a stake in Chrysler Financial, Chrysler's financing subsidiary.

Mr. William Miller, U.S. Treasury Secretary, referred to the Chrysler Financial question as a key difficulty on Tuesday.

He added that the legislation was less flexible than the Government woul dhave liked, though it is important that in its report last week on Chrysler's outlook the Government specifically bracketed together new credit by the banks and interest-rate concessions.

A few bankars remain convinced that the Government is merely manoeuvring to turn down the financing plan in such a way that it will be abla to blame the banks for the company's resultant collapse.

Prime rate down

Continued from Page 1

bond markets which traditionally mirror trends in the U.S. The strong buying interests evident since Easter turned into a flood as dealers faced orders from a numbar of institutional clients "to buy any paper they could lay their bands on.55

Prices of fixed interest Eurodollar bonds moved up sharply, in some cases by more than three points.

The volume of new fixed interest rate dollar Eurobonds issued since Easter now sands at $525m, tbe highest weekly figure since last summer. The list of multinationals and Western State companies queuing to borrow is already expected to grow.

Euro-deposit rates dropped sbarply. The three month Eurodollar rate fell by ½ per cent to 18½ per cent while the one-year rate shed ½ per cent to finisb at 16¼ per cent.

The cut in the Prime rate has been expected in New York for several days as a response to a significant easing in short-term U.S. interest rates. This movement has taken the three-month rate on bank certificates of deposit from about 18¼ per cent in mid-March to under 17½ per cent currently.

Long-term bond prices staged a powerful rally yesterday morning after steady gains. Since tbe beginning of the month. The apparent turn in tha bond market has come after a period whicb bas seen an unprecedented collapse in bond prices involving at one stage peper loses of over $40bn since October 1979.

Thus U.S. Government bond issues jumped fully four points in the first bour-and-a-half's trading with long-dated U.S. Treasury 11¾ per cent bonds rising to a record high price of 105 4-32nds, where tbey yield 11.11 per cent. At tbe end of last month, the same bond was quoted around 94 yielding 12.48 per cent, having been as low as 92¼ in mid-February.

Even the stock market was initially swept along by Wall Street's enthusiasm and rose 8 points on tha Dow Jones Industrial Average in the first bour's trading. But investors in Ordinary shares found it bard to remain enthusiastic, for the bond market rally is founded in part on the belief that the U.S. economy is beaded for recession and a subsequent easing in inflation. The stock market bas to concern itself how deep the recession will be and how much damage will be ultimately done to corporate profits.

The long-term bond market has been falling since the beginning of the month, indicating that a recession is imminent, with many economists predicting that clear evidence will emerge in the sbape of a decline in Gross National Product in the second quarter after at best a modest rise in the first qnarter.

Dr. Kaufman for example cites the erosion of consumer spending power by inflation as one factor restraining the economy.

Moreover with Inflation pressured by the consumer price index running at an annual rate of 15.6 per cent over the past three months and little relief expected in the months ahead, U.S. Government policy must continna to focus on tha fight against inflation.

Weather

UK TODAY

MAINLY dry with bright and sunny intervals. Rain at first in North. Very warm in South.

London, S.E., E., Cent. S., S.W. England, E. Anglia, Midlands, S. Wales, Channel Isles

Mainly dry bright or sunny intervals. Max. 20C (68F).

N.W., N.E., Cent. N. England, N. Wales

Rain at first. Dry. Sunny intervals later. Max. 16C (61F).

Lake District, Isle of Man, Glasgow, S.W. Scotland, Highlands, Argyll, N. Ireland

Cloudy at times. Dry. Max. 12C (54F).

Borders, Edinburgh, Dundee, Aberdeen, Moray Firth

Dry and sunny. Max. 13C (55F).

N.E., N.W. Scotland, Orkney, Shetland

Cloudy. Some bright intervals. Max. 9C (48F).

Outlook: Mostly dry with sunny intervals. Above normal temperatures.

WORLDWIDE

		Y'day midday °C	°F			Y'day midday °C	°F
Ajaccio	C	15	59	L. Plms.	C	18	64
Algiers	F	16	61	Lisbon	S	15	59
Amsdm.	S	20	68	Locarno	C	14	57
Athens	S	18	64	London	F	20	68
Bahrain	S	24	75	Luxmbg.	S	20	68
Barclna.	C	15	59	Luxor	S	25	77
Beirut	S	17	63	Madrid	F	14	57
Belfast	C	12	54	Majorca	F	19	66
Belgrd.	S	20	68	Malaga	S	18	66
Berlin	S	19	66	Malta	S	15	59
Biarritz	C	12	54	M'chstr.	F	15	59
Bmghm.	S	18	64	Melbne.	R	20	68
Blackpl.	S	11	52	Milan	C	13	55
Bordx.	C	12	54	Mntreal.	C	1	34
Boulgn.	F	15	59	Moscow	S	3	37
Bristol	C	13	55	Munich	S	17	63
Brussels	S	22	72	Nairobi	R	21	70
Budpst.	S	20	68	Naples	C	15	59
B. Aires	S	18	64	Nwcstl.	C	13	55
Cairo	S	23	73	N. York	S	1	34
Cardiff	C	15	59	Nice	R	12	54
Cas'b'ca	F	17	63	Oslo	F	10	50
Cape T.	C	20	68	Paris	C	18	64
Chicago	S	7	44	Perth	C	18	66
Cologne	S	22	72	Prague	S	19	66
Cpnhgn.	S	12	54	Reykjvk.	F	4	39
Corfu	C	19	66	Rhodes	S	19	66
Dublin	F	13	55	Rio J'o	R	27	81
Dbrvnk.	S	14	57	Rome	C	17	63
Ednbgh.	F	16	61	Salzbrg.	S	20	68
Florence	R	13	55	Singapr.	S	30	85
Frankft.	S	21	70	Stckhm.	S	14	57
Funchal	C	16	61	Sydney	S	24	75
Geneva	C	13	55	Tangier	F	17	63
Gibrltr.	S	17	63	Tehran	S	20	68
Glasgow	F	13	55	Tenerife	F	15	59
G'nsey	C	13	55	Tokyo	C	10	51
Helsinki	C	11	52	Toronto	F	−4	24
H. Kong	S	23	73	Tunis	R	14	57
Innsbrk.	S	19	66	Valencia	F	18	64
Invrnss.	R	10	50	Venice	F	14	57
I.o.Man	S	13	55	Vienna	S	18	64
Istanbul	S	15	59	Warsaw	F	15	59
Jersey	C	18	64	Zurich	S	17	63
Jo'burg	S	24	75				

C—Cloudy. F—Fair. Fg—Fog. R—Rain. S—Sunny. Sl—Sleet. Sn—Snow.

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